

**MARKETING IN ENGLISH PROFESSIONAL  
FOOTBALL CLUBS**

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## **ABSTRACT**

This study is concerned with the marketing of English professional football at the individual club level. The primary focus of the research is on the commercial operations within football clubs. The overall aim of the research is to develop a greater understanding of the position and role of marketing within professional sports organisations and to provide a greater insight and understanding of the antecedents to achieving a marketing orientation.

Historically, football clubs, although operating as businesses, have been generally run on an administrative basis with little emphasis on market focused strategies. Up until the early 1990s there was evidence to suggest that many clubs were not adopting management principles and practices commonplace in other industries within the service sector. Professional football is the largest and most popular spectator sport in the UK. Given the dramatic changes within the industry's commercial environment within the last decade, the question of management is both relevant and important.

Very few empirical studies have been carried out into the marketing of professional sports organisations. As yet, there has been no academic research in the area of professional sports which has considered sports marketing principles and practices from an integrative or holistic perspective. Despite the apparent importance of marketing a number of authors have highlighted the dearth of empirical research on what makes a market oriented organisation. As a result very little is known about the characteristics of successful programmes for building market orientation.

A review of the literature suggests that there are a number of factors involved in developing market orientation. The Mckinsey 7-S framework is used to synthesise the literature and bring all these interrelated factors together. A staged research design is proposed, using a mix of qualitative and quantitative data collection methods, in order to provide an in-depth and holistic examination of the relevant issues. The 7-S framework is operationalised at both the quantitative and the qualitative stage of the research process, providing an over-arching and integrative research instrument.

The primary research results highlight clear differences between clubs of different sizes on a number of marketing issues although there was also variability in the quality and nature of specific aspects of marketing between clubs of similar size. While many football clubs do appear to have acquired the 'trappings' of marketing, in the form of a marketing and commercial department, they are still some way from fully embracing the marketing concept. The results also show that the move toward market orientation is a complex and lengthy process, which involves changes on many interrelated fronts.

It is concluded that this research has benefited theory in furthering knowledge and understanding of marketing within professional sports organisations. Additionally it has provided a greater understanding of the necessary programs for building market orientation within organisations.

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# **CHAPTER 1**

## **INTRODUCTION**

## CHAPTER 1: INTRODUCTION

### 1.1 Background to the Study

This study was initially prompted by a lack of research into marketing within professional sports organisations. The dearth of sports marketing literature had led Mullin *et al.* (1993:22) to observe that “Almost no theory has been published on sport marketing, and of the small number of successful experiences that have been documented in professional journals, few detail any fundamental concepts or principles behind the successful application”. Very few empirical studies have been carried out into the overall marketing principles and practices of professional sports organisations in the UK or the US. Much of the sports management literature had been restricted to studies of physical education or athletic programmes, with limited focus on professional sports organisations (Evans *et al.*, 1996; Slack 1996; Irwin *et al.*, 1999). A review of the sports management literature has also confirmed the academic neglect of a number of sub-disciplinary areas, including marketing (Olafson, 1990; Evans *et al.*, 1996; Slack 1998; Irwin *et al.*, 1999). As Slack (1998:27) notes, “There is very little, in some cases no, research on sport organizations (if this is what we say we study) in many of the sub-disciplinary areas that are usually seen as constituting the field of management”. Whilst there have been several relevant studies that have looked at specific marketing activities of sports organisations the majority of research is US based, quantitative in nature, and focuses on specific sub-activities within the span of marketing tasks. As yet, there has been no academic research in the area of professional sports which has considered sports marketing from an integrated or holistic perspective. As Irwin *et al.* (1999:315) point out:

A multidimensional approach, encompassing manifold factors and overriding beliefs and principles, which build the general foundation and guidance for all the ongoing action within a [sports] franchise or more importantly, its subunits, has yet to be accomplished.

The English professional football industry is over a century old and has attracted much academic interest from historians, economists and sociologists. However, there has been relatively little academic consideration of contemporary management issues within the industry. Given the dramatic changes within the industry’s commercial environment



within the last decade, the question of management is therefore a relevant and acceptable field of investigation. Whilst the specific focus for this thesis is on marketing management within the industry, a multi-disciplinary approach is adopted for this investigation that recognises the importance of the management, economic and social aspects of the industry.

Whilst there is no consensus definition of marketing it is generally accepted that the core proposition of marketing is concerned with the identification, creation and maintenance of mutually satisfying exchange relationships (Baker, 1995; Kotler, 1997; Doyle, 1998). In order to understand marketing it is essential to distinguish between marketing as a business philosophy and marketing as a business function or process involving a range of techniques and activities (Hooley *et al.*, 1990; Baker, 1991; Lancaster and Massingham, 1993; Kotler, 1997). It is now widely accepted, by both academics and practitioners, that the marketing concept or philosophy can be applied to any organisation, provided it is recognised that varying organisations have different objectives (Kotler and Levy, 1969; Trustrum, 1989; McCarthy and Perreault, 1991; Chapman and Cowdell, 1998).

Greater competition in the leisure and entertainment industry over the last twenty years has increased the need for professional marketing approaches within the private sector of spectator sports. There is general agreement in the sports marketing literature that there are two distinct but complimentary aspects of sports marketing namely, the marketing 'of' sport and marketing 'through' sport (Mullin *et al.*, 1993; 2000; Shank, 1999; Shilbury *et al.*, 1998). The marketing 'of' sport involves sports leagues, associations, clubs and individuals marketing their events, products and services directly to sports customers and stakeholders. Marketing 'through' sport refers to the activities of consumer and industrial organisations that use sport as a vehicle to market their products and services to sports consumers. This study is concerned with the marketing 'of' professional football at the individual club level. The primary focus of the research is on the commercial operations within professional football clubs, although it is recognised that there is a symbiotic relationship between the commercial and playing side of the organisation, a relationship which is explored in the study.

A market oriented organisation is one which has adopted the marketing concept, *i.e.* market orientation is the implementation of the marketing concept (McCarthy and Perreault 1987; Deng and Dart 1994; Narver *et al.*, 1998). Despite the apparent importance of marketing a number of authors have highlighted the dearth of literature on what makes a market oriented organisation (Day, 1994; Harris, 1996; Jaworski and Kohli, 1996; Narver *et al.*, 1998). Despite calls for more research in the area, little empirical work has been done, and as a result, very little is known about the characteristics of successful programs for building market orientation. Narver *et al.* (1998:242) make the following observation:

Given the substantial empirical evidence suggesting a positive relationship between market orientation and performance, the logical next question is how a business can best create and increase a market orientation. To the present, there has been little scholarly research on this essential question.

There has been an over-reliance on quantitative methods in all areas of academic research in marketing (Brown, 1993; Hunt, 1994; Milliken, 2000). Research examining marketing practices and market orientation within organisations is no exception, with the majority of empirical work quantitative in nature, with a dominant reliance on postal questionnaires to single respondents within organisations. The limitations of using this method of data collection alone, within the context of examining a firm's market orientation, have been highlighted by a number of authors (Whittington and Whipp, 1992; Wensley, 1995; Balabanis *et al.*, 1997; Parkinson and Chambers, 1997). Very little qualitative research has been carried out in this area despite the recognition by many authors that using qualitative methods could usefully complement quantitative survey analysis. This general criticism is also mirrored in the sports management literature, with several authors highlighting the over-reliance on quantitative methods within sport management research at the expense of alternative, and often complimentary, qualitative methods (Olafson, 1990; Inglis, 1992; Slack, 1996; 1998). Slack (1996:103), for example, argues that the disproportionate use of survey research using questionnaires, "...limits our ability to fully comprehend the reality of sport organizations and their management".

The research gaps identified above highlight the need for empirical studies into the position and role of marketing within professional sports organisations and a greater understanding of the antecedents to achieving a market orientation. English professional football clubs provide a suitable unit of analysis for this study for two reasons. Firstly, professional football is the largest and most popular spectator sport in the UK. The football industry accounts for over 50% of consumer expenditure on spectating at live sports events and is also the most popular televised sport in the UK with 2 million people regularly going to football matches and 48% of adults enjoying watching football on television (Mintel 1996). The industry directly employs over 9,700 employees and generated £951 million in total revenues in the year 1998/99. Secondly, the football industry has undergone dramatic change in the last decade which has resulted in clubs needing, more than ever, to adopt a 'business like' approach to their commercial operations. Historically, clubs, although operating as businesses, have been generally run on an administrative basis with little emphasis placed on increasing attendance and generating alternative sources of income (Russell, 1997; Polley, 1988; Szymanski and Kuypers, 1999). Up until the early 1990s, there was evidence to suggest that many clubs were not adopting management principles and practices commonplace in other industries within the service sector and, indeed, in US sports. A Government Inquiry into the 1989 Hillsborough crowd disaster, led by Lord Justice Taylor, revealed a general malaise over the game that was due to several factors; old grounds, poor facilities, hooliganism, excessive drinking and poor leadership (Taylor, 1990). With regard to leadership within the game Taylor (1990:10) stated that:

As for the clubs, in some instances it is legitimate to wonder whether the directors are genuinely interested in the welfare of their grass-roots supporters...In most commercial enterprises, including the entertainment industry, knowledge of the customer's needs, his tastes and dislikes is essential information in deciding policy and planning. But, until recently, very few clubs consulted to any significant extent with supporters or their organisations.

This criticism of leadership and management was not new to football. A previous Government Inquiry into the game in 1968 made the following damning statement concerning clubs' management:

Notwithstanding the serious financial problems which have faced many clubs in recent years, we doubt whether most have yet given sufficient attention to management. The final responsibility for the good business management of clubs lies with their Boards. It has been frequently represented to us that the calibre of club directors is today not sufficiently high to meet the challenge of an increasingly competitive leisure business. Our experience, despite outstanding exceptions, does not conflict with this view (Department of Education and Science, 1968:62).

The early 1990s have proved to be a watershed for the football industry, with several inter-related developments providing the catalyst for change. These developments include the 1990 Taylor Report, and the subsequent requirement for clubs to convert to all seater stadiums, the formation of the breakaway FA Premier League in 1992, the arrival of new technology and major funding in the form of satellite television, and the arrival of an influential new breed of senior management at many of the top clubs. The resulting changes within the industry have meant that non-gate income, in the form of television and commercial revenue, has become an increasingly important part of the a football club's financial equation. Commercial management demands within the football industry are becoming increasingly complex, with football clubs needing to manage the changing nature of their stakeholder composition and the increasing number of non-playing employees. The extent to which clubs are successfully adapting to this increased management complexity is not clear from the existing literature although the evidence suggests that, outside the FA Premier League at least, the quality of marketing management is variable. An internal management report prepared for the Football League by Deloitte & Touche in 1997 noted that many clubs had untapped commercial potential that was not being realised due to their commercial managers' parochial attitudes:

At a number of clubs commercial managers appear to have relatively low status and a very limited field of responsibility. Sponsors have expressed frustrations with the lack of initiative shown by these individuals at clubs. "There are too many waiting for a handout rather than shaping their own business". We understand that these managers commonly have no formal training and have traditionally focused on commissions earned from perimeter, programme advertising, travel and the like. Conversely, at some clubs there are excellent commercial executives from whom their counterparts at other clubs can learn a great deal (The Football League, 1997:113).

## **1.2 Study Aims, Objectives and Contribution**

### **1.2.1 Contribution to Theory and Practice**

For academic and practitioner reasons there is a need for more research on the position and role of marketing within professional sports organisations. This research seeks to add to the body of knowledge on marketing within professional sports organisations through contributions to the underlying theory base, and, through contributions which will benefit current practice in the field. It is the author's intention that this research initiative will not only further the growing field of sports marketing research, but will also provide vital managerial information from which sports marketers can benefit.

The primary purpose of this research, in respect of theory development, is to extend the knowledge of marketing within professional sports organisations. Additionally it seeks to provide a greater understanding of the necessary programs for building market orientation within organisations. Empirical research into the development of market orientation within organisations is limited and there is even less research into marketing within professional sports organisations. This study attempts to fill both these gaps.

In both these areas, this study also seeks to make a contribution to the literature by using a staged approach to the primary research design, incorporating both quantitative and qualitative data collection methods in order to provide an in-depth holistic examination of the issues. A growing number of researchers advocate the use of both qualitative and quantitative research methods across several stages of the research process when studying marketing issues within organisations (Gibb, 1992; Cahill, 1996; Nancarrow *et al.*, 1996; Swartz and Boarden, 1997; Siu and Kirby, 1999; Milliken, 2000).

### **1.2.2 Aims and Objectives**

The overall aim of the study is to examine management attitudes towards, organisation for, and implementation of marketing activities within English professional football clubs. To achieve this aim the following objectives have been developed.

#### **1.2.2.1 Literature Review**

The literature review aims to achieve several objectives. Firstly, to examine the key concepts of marketing management theory and evaluate their relevance to professional sports organisations. Secondly, to identify enablers and barriers to the adoption of marketing within organisations. Thirdly, to explore the evolution of management within the football industry and identify the possible reasons for the apparent lack of marketing within the industry and, finally, to examine the industry product/market dynamics and their implications for marketing management.

#### **1.2.2.2 Primary Research**

The primary research investigation seeks to achieve the following objectives. Firstly, to provide a multi-dimensional account of marketing practices within football clubs. Secondly, to reveal the extent to which marketing principles and practices have been accepted and implemented by football clubs and, thirdly, to explore the possibilities and problems of clubs moving from a traditional administrative orientation to a managerial or market orientation.

### **1.3 Thesis Structure**

Figure 1.1 shows the outline to this thesis in diagrammatic form. To achieve the aims of the study the project first sets out to review the literature in order to understand both the theoretical content (Chapters 2 and 3) and the industry context (Chapters 4 and 5). Chapter 2 provides a review of the literature on marketing and sports marketing management. Chapter 3 reviews the literature on market orientation and in particular the antecedents to achieving a market orientation. These two chapters provide the basis for the development of an appropriate operational framework for analysing a football club's

marketing operations. This thesis is concerned with marketing within English professional football, so Chapters 4 and 5 examine the development of marketing management within the football industry and provide an examination of the industry's commercial environment. From these two chapters, research gaps are identified and exploratory hypotheses derived. The general aims of the study are translated into specific primary research objectives in Chapter 6 and an appropriate research design is devised using both quantitative and qualitative data collection methods. Chapter 7 presents the detailed findings of the quantitative and qualitative study while Chapter 8 concludes the study and highlights the theoretical and practical implications of the results. The purpose and contents of each chapter will now be considered in greater detail.

Chapter 2 focuses on some of the core theoretical concepts of marketing and sports marketing in order to determine how they might apply to the professional football clubs. Firstly the chapter examines the definition of marketing in terms of marketing as a concept or philosophy and marketing as a process and business function. The different levels and dimensions of marketing within the organisation are also considered. The development of modern marketing practice in the US and the UK is discussed and the speed of adoption of modern marketing practices within specific industries is also examined. The definition of sports marketing is then considered with particular focus on the distinction between the marketing 'of' sport and marketing 'through' sport. The unique characteristics of the sports product market are discussed and their implications for sports marketers highlighted. The general scope of the sports marketer's responsibilities are also identified. Finally, the chapter looks at the development of sports marketing theory and practice in the US and the UK with particular reference to research into marketing within professional sports organisations.

Chapter 3 considers the implementation of the marketing concept within the context of market orientation. The purpose of this chapter is to provide an insight into how football clubs might make the transition towards a market orientation. Firstly market orientation is defined and the key elements of the construct are discussed from both a behavioural and a cultural perspective. The chapter then reviews the research examining the

relationship between market orientation and organisational performance and provides a critical evaluation of the market orientation measurement instruments presented in the literature. The chapter also identifies the key antecedents that would enable a company to become market oriented. The McKinsey 7-S model is presented and developed as an appropriate framework to help synthesise the literature and identify the key factors that encourage or inhibit the adoption of a market orientation. Using the 7-S framework it is argued all seven attributes (strategy, structure, systems, style, staff, skills, and shared values) can be important in the transition to an effective market orientation.

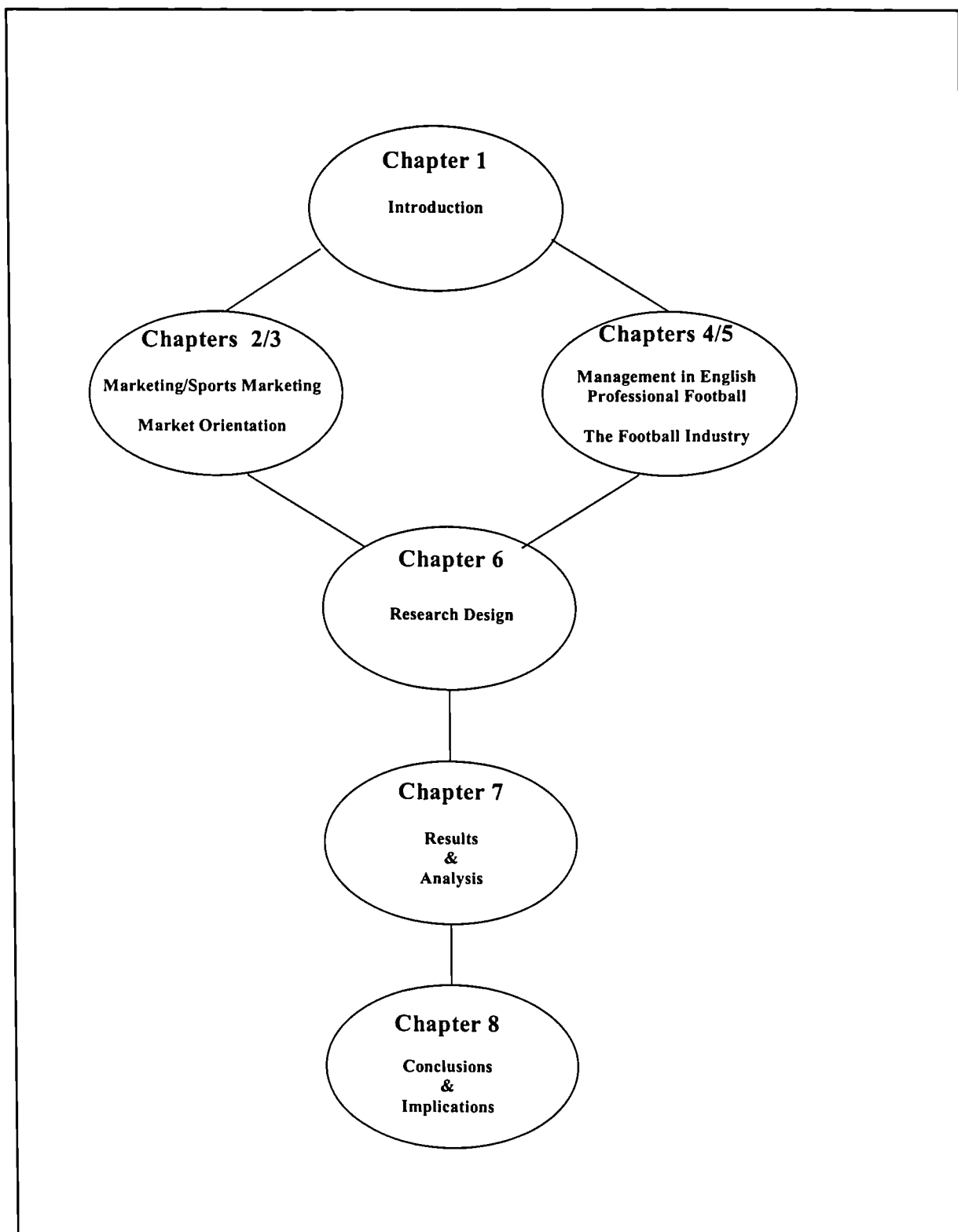
Chapter 4 reviews the literature on the historical development of management within the football industry at both League and club level, from its origins in 1888 to the end of the 1980s. The primary purpose of this chapter is to appreciate the reasons for the apparent reluctance of the industry to embrace business principles and practices. In doing so, it aims to provide a basis for understanding current management attitudes and behaviour within football clubs. Chapter 5 examines the major external and internal agents of change within the football industry from the early 1990s and the implications for marketing management at both League and club level. The chapter investigates the financial differences between FA Premier League clubs and Football League clubs and the resulting commercial implications. The industry finances are analysed and a financial cycle model is introduced and developed in order to highlight the key elements of a football club's business operations. The increasing importance of commercial income to the clubs' financial equation is shown and the growing financial divide between the FA Premier League and the Football League is highlighted. The chapter concludes by analysing the commercial revenues of clubs and highlights the variability of commercial revenue generated by clubs of different sizes.

Chapter 6 presents the primary research design used within the study. Firstly, the chapter summarises the research gaps identified from the literature review. The primary research objectives are then outlined and the research design detailed. The benefits of methodological triangulation are presented within the context of the research objectives. A staged research design approach is proposed using the integrative 7-S framework, in order to provide an in-depth and holistic understanding of marketing within English



professional football clubs. This is followed by a detailed description and justification of the methods chosen at each stage of the research process. The chapter describes how the research instruments were developed and the sample frames selected. It then identifies the approaches to data collection used and details the techniques employed to analyse the data collected. Steps taken to ensure the validity, reliability and generalisability of the results are also identified.

Chapter 7 presents the detailed findings of the primary research investigation. The 7-S framework is used to present both the quantitative and qualitative results and analysis. Chapter 8 re-visits the overall aims and objectives of the study and brings together the findings from the literature review and the primary research investigation. It also considers the implications of the study and its contribution to both the theory and practice.



**Figure 1.1 Outline to Thesis**

## **CHAPTER 2**

# **MARKETING/SPORTS MARKETING**

## **CHAPTER 2: MARKETING/SPORTS MARKETING**

### **2.1 Introduction**

This chapter focuses on some of the core theoretical concepts of marketing and sports marketing. As such, it serves to establish the relevance of the discipline to professional football clubs in England. Firstly, the chapter examines the definition of marketing in terms of marketing as a concept or philosophy and marketing as a process and business function. The different levels and dimensions of marketing within the organisation are also considered. The chapter then examines the evolution of marketing thought and practice. Several schools of thought are identified and specific attention is given to the functional and managerial perspectives which have dominated academic thinking in the second half of the 20<sup>th</sup> century. The development of modern marketing practice in the US and the UK is discussed and several eras of marketing are identified. The speed of adoption of modern marketing practices within specific industries is also examined.

The definition of sports marketing is then examined with particular focus on the distinction between the marketing 'of' sport and marketing 'through' sport. The unique characteristics of the sports product market are discussed and their implications for sports marketers highlighted. The relevance of services marketing theory is considered and the general scope of the sports marketer's responsibilities are also established. Finally, the chapter assesses the development of sports marketing theory and practice with particular reference to the empirical research in the area of marketing within professional sports organisations.

### **2.2 Marketing Defined**

A universally accepted consensus definition of marketing is difficult to find in the literature. Indeed, the search for a generally acceptable definition of marketing can be traced back to the early 1900s (Ferrell and Lucas, 1987). Sheth *et al.* (1988:18) note the

difficulty in answering the question “what is marketing?” in a brief and comprehensive fashion, “...the fact is that we currently are not very sure just exactly what marketing is and what it should be”. A review of the literature reveals a diverse range of definitions of marketing with differing emphases on the process of marketing, the functional activities that constitute marketing, the philosophy of marketing, and the scope of marketing. Indeed, if there is general agreement in the literature, it is that there is no universally agreed definition of marketing (Hunt, 1987; Ferrell and Lucas, 1987; Wilson *et al.*, 1992; Lancaster and Massingham, 1993; Dibb *et al.*, 1997). Hunt (1976), in his seminal paper on the nature and scope of marketing, suggests that definitions of the nature of marketing differ as a result of authors’ differing perceptions of the scope of the subject. Ferrell and Lucas (1987) in their evaluation of the development of a definition of marketing noted that there was still much debate on what was the most widely accepted definition of marketing conceding that, “...it is probable that there is no one definition that perfectly describes the concept of marketing, as different definitions are used for different purposes”(p.13). Lancaster and Massingham (1993) support this view suggesting that because marketing is such a wide-ranging topic it can be seen from different viewpoints or given a particular emphasis. Such difficulties of subject definition are not confined to the marketing discipline as the tradition in the academic community is to constantly question the scope of their disciplines.

Davidson (1997) argues that marketing is difficult to define and explain because it is both an approach to business and a specific function. Lancaster and Massingham (1993:5) concur, “...much of the problem of definition and misunderstanding over the term ‘marketing’ stems from the confusion between the function of marketing and its philosophy”. Baker (1991) agrees stating that in order to understand marketing it is essential to distinguish between marketing as a business philosophy and marketing as a business function. Indeed there is general agreement in the literature that marketing is both a function and a process as well as a company-wide business philosophy (Ames 1970; Foxall 1981; Brown 1987; Hooley *et al.* 1990; Baker 1991; Lancaster and Massingham 1993; Kotler 1997; Davidson 1997).

### 2.2.1 Marketing as a Philosophy/The Marketing Concept

There is a strong body of literature that suggests that marketing can and should be defined as a company-wide business philosophy. This definition of marketing is often referred to as the marketing concept. Foxall (1981) argues that the effective performance of the various functions of marketing management demands the adoption of a particular business philosophy known as the 'marketing concept'.

Baker *et al.* (1986) suggest that it is virtually impossible to discuss the nature of marketing without reference to the marketing concept. Bell and Emory (1971) argue that the marketing concept is widely accepted as an adequate statement of the function and role of marketing. Kohli and Jaworski (1990) support this stating that the marketing concept is the cornerstone of the marketing discipline. Peter Drucker (1954) and Arthur Felton (1959) were two of the first exponents of the marketing concept as a business philosophy and a general management responsibility:

There is only one valid definition of business purpose: to create a satisfied customer... Marketing...is the whole business seen from the point of view of its final result, that is, from the customer's point of view (Drucker 1954:37).

A corporate state of mind that insists on the integration and coordination of all of the marketing functions which, in turn, are melded with all other corporate functions, for the basic objective of producing maximum long-range corporate profits (Felton 1959:55).

Bell and Emory (1971) note that by 1965 practically all introductory marketing texts included some discussion of the "new" marketing concept. Although definitions of the marketing concept are as prolific as definitions of marketing (Baker 1986) it is generally agreed in the literature that the marketing concept consists of three related core elements/pillars: (1) customer focus, (2) coordinated and integrated effort, and (3) a profit/goal orientation. (Felton 1959; Bell and Emory 1971; McNamara 1972; Baker 1986; Houston 1986; Baker 1990; Kohli and Jaworski 1990; Jobber 1995; Kotler 1997).

Whilst this conceptualisation is generally accepted in the literature there has been much debate around the individual components of the marketing concept framework and the scope of its constituent parts. Before considering how the marketing concept might be

implemented it is therefore necessary to clarify and explore some of the issues surrounding the marketing concept itself.

### **2.2.1.1 Customer Focus**

The first pillar of the marketing concept conceptualisation refers to a belief that the customer should be the centre of all the organisation's thinking and activity (Baker *et al.* 1986). Levitt (1960:60), in his seminal paper entitled 'Marketing Myopia', argued that "...the entire corporation should be viewed as a customer-creating and customer satisfying organism". Gummesson (1990) notes that although the customer focus concept supposedly originated in the US it has probably been common knowledge among successful tradesmen for ages. Marion (1993) supports this view by referring to Tosdal's article published in the Harvard Business Review in 1933 in which Tosdal points out that:

The idea that consumer needs and wants should be the starting point for business thinking is certainly not revolutionary. For a century or more, economists have made assertions that the aim of our economic and business structure and its functioning was the satisfaction of customer needs (cited in Marion 1993:157).

Both Lancaster and Massingham (1993) and Doyle (1998) point out that the fundamental idea of marketing, that organisations survive and prosper through meeting the needs of customers, is also the justification for free enterprise capitalism as a social and political system as identified by Adam Smith in 1776.

Whilst there is strong support in the literature for the concept of customer focus it is not without its critics. Several authors have noted that customer focus may lead to possible conflict with other stakeholder needs and that the firm should seek the satisfaction of all relevant stakeholders, and not just the customers (Doyle 1992; Deshpande *et al.* 1993; Johnson and Scholes 1993; Pickton and Wright 1996; Henderson 1998). Doyle (1992) contends that company performance in the long run depends upon satisfying several stakeholder groups. Deshpande *et al.* (1993) agree, arguing that while the firm may put customer's interests first, they should not exclude the interests of all other stakeholders such as owners, managers, and employees. As Pickton and Wright (1996:9) point out:

“achieving satisfied customers may be a necessary part of the management processes, but it is not the only part, and in itself is insufficient. For businesses to operate successfully there is a need for ALL relevant stakeholder to be satisfied from employees to investors”.

The lack of any explicit reference to competitor focus in the marketing concept framework has also drawn criticism from several quarters. Sachs and Benson (1978) argue that organisations would need to satisfy customer needs better than competition in order to achieve their goals. Hayes (1988) supports this view pointing out that satisfying customer needs is not enough and that the real requirement is to provide the marketplace with superior value. Indeed, many authors agree that effective marketing strategy requires a balanced mix of customer and competitor focus (Day and Wensley, 1988; Narver and Slater, 1990; Deshpande *et al.*, 1993; Carson *et al.*, 1998).

There have also been criticisms that a predominant customer focus neglects the capabilities and resources of the firm. Ansoff (1965) points out that to define the business purpose in terms of customer needs is not necessarily appropriate as it does not consider the firm's competences and ability to respond to these needs. Bennett and Cooper (1979; 1981) echo Ansoff's argument that pursuing a market-oriented approach to business strategy may not be compatible with the firm's resources and capabilities. They also argue that management's preoccupation with marketing existing products and services has stifled true innovation and whilst a firm cannot neglect market forces the driving force must often come from within the organisation. Houston (1986) points out that the marketing concept requires an understanding of the market and should not suggest that products always be designed to satisfy the market's demand. Indeed, Levitt (1991:14), in a retrospective commentary on his 'Marketing Myopia' article, laments the emergence of what he terms 'marketing mania' where some companies have "...become obsessively responsive to every fleeting whim of the customer".

In light of these arguments Trustrum (1989) emphasises that adopting the marketing concept is very much a balancing act with a belief that an organisation can function in the best interests of its customer and itself where a balance is achieved between the needs of both these parties. This is similar to the view of the marketing concept as a



matching process between customer satisfaction and organisation satisfaction which involves the matching up the firm's distinctive competencies with customer segment's and other stakeholder's needs and preferences (Ohmae, 1983; McGee and Spiro, 1988; Sharp 1991; Webster, 1994; Carson *et al.*, 1998). As Carson *et al.* (1998:33) point out the reality is that, "...practitioners will effectively strike a balance between what the customer can be offered elsewhere, what the customer may want from the transaction and what the company can offer".

In summary, seen in isolation, customer focus could be considered deficient as a business approach as there is no explicit mention of market competition or the firm's capabilities. However it can be argued that in order to achieve the organisation's goals (the third element of the marketing concept) a company would need to match their capabilities with customer requirements and satisfy them better than sections of the competition. From this perspective the firm's resource capabilities and a competitor focus would be implicitly included in the three pillar marketing concept conceptualisation.

#### **2.2.1.2 Co-ordinated and Integrated Effort**

The second pillar of the marketing concept proposes that the organisation's efforts need to be integrated and co-ordinated towards common goals (Baker 1986). Felton 1959 contends that for the marketing concept to be adopted all the marketing functions need to be integrated and these functions in turn need to be integrated with all the other business functions such as personnel and production. Similarly Shapiro (1988) emphasises the importance of interfunctional and interdivisional co-ordination and decision making.

There is general agreement in the literature that responsibility for satisfying the customer's needs does not belong exclusively to the marketing department or indeed the marketing function (Drucker, 1973; King, 1985; Houston, 1986; Doyle, 1987; Hayes, 1988; Shapiro, 1988; Gronroos, 1989; Kohli and Jaworski, 1990; Gummesson, 1991; Doyle, 1992; Webster, 1992). Drucker (1974) argues that marketing is so basic that it cannot be considered a separate function whilst Webster (1988), to illustrate the point,

makes reference to the phrase popularised by General Electric's management, "Marketing is too important to be left to marketing people!" (p.39). Gronroos (1989) points out that the marketing function is spread all over the firm and because of this there are a large number of 'part-time marketers'. This is endorsed by Gummesson (1991) who observes that marketing activities are carried out by everyone who influences an organisation's customer relations directly or indirectly and hence firms need to be truly integrated.

### **2.2.1.3 Profit/Goal Orientation**

Profit or goal orientation is the third pillar of the marketing concept whereby the company seeks to achieve its goals by maximising customer satisfaction (Baker, 1986; Kohli and Jaworski, 1990). Kohli and Jaworski point out that profitability should in fact be viewed as a consequence of adopting the marketing concept rather than as a part of it.

Again this element of the marketing concept is not without its critics. Henderson (1988) argues that definitions of marketing that make reference to profitability are simply too vague as there is no promise of superior or above industry average profits. Doyle (1992), whilst accepting that profitability is by far the most dominant objective for firms in Western countries, contends that the firm has multiple objectives that might include satisfying the aspirations of shareholders, managers, employees and other interest groups and that, "managers should therefore not seek to excel on any single-goal, but rather look for a balanced performance over time on a set of goals" (p.115).

Whilst the marketing concept was originally developed with profit making enterprises in mind, it is now widely accepted by both academics and practitioners that the marketing concept can be applied to any organisation, provided it is recognised that varying organisations have different objectives (Trustrum, 1989; McCarthy and Perreault, 1991; Chapman and Cowdell, 1998). Kotler and Levy (1969) were the first authors to suggest that non-profit organisations can and should use the marketing

concept to achieve their goals pointing out that the essence of marketing lies in the concept of exchange which can apply to all organisations or individuals:

The modern marketing concept serves very naturally to describe an important facet of all organisational activity....the business heritage of marketing provides a useful set of concepts for guiding all organisations. (Kotler and Levy 1969:15).

In summary, whilst it is acknowledged that the three pillars conceptualisation of the marketing concept has generally been accepted in the literature it is noted that there are some caveats (See Table 2.1) to be considered and that the pillars are interrelated and, therefore, need to be considered together rather than in isolation.

**Table 2.1 The Marketing Concept – Caveats**

- Marketing requires a balanced mix of customer and competitor focus.
- Although customer focus is important this should not be at the exclusion of other stakeholders needs.
- Marketing is a matching process between an organisation's capabilities and goals and customer and other stakeholder requirements.
- Marketing is not exclusively the concern of the marketing department or function.
- The marketing concept can be applied to both profit and non profit organisations.

### **2.2.2 Marketing as a Function and Process**

As well as viewing marketing as a business philosophy there is a general consensus in the literature that marketing should also be viewed as a specific management function and process involving a range of techniques and activities. The following widely accepted definitions illustrate the acceptance of marketing as a management process:

Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange and satisfy individual and organisational objectives (American Marketing Association, 1985)

Marketing is the management process responsible for identifying, anticipating and satisfying customers' requirements profitably (Chartered Institute of Marketing, UK).

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others (Kotler, 1997:8; Doyle, 1998:38).

There are obvious similarities between these definitions. As well as emphasising marketing as a management process all the above definitions also focus on both customer needs/requirements and organisational goals. In a survey of American marketing educators, managers, scholar-experts and students, the American Marketing Association's (AMA) definition was ranked as the definition that best represents the discipline of marketing (Ferrell and Lucas, 1987). Whilst this research is albeit over 15 years old, the AMA's definition is still widely used in contemporary marketing management texts.

Kotler (1997), in his leading marketing management text, uses the AMA definition to define marketing management. He contends that marketing management is essentially a demand management process that involves analysis, planning, implementation and control. More specifically Kotler (1997:354) states that:

The marketing process involves researching a market, identifying the segments making up the market, targeting the segments that the company can serve in a superior way, positioning the firm so that customers have a reason to prefer the firm's offers, developing the right marketing mix of product, price, place, and promotion, implementing the marketing plan, and then evaluating and revising marketing as experience is gained.

In a similar vein, Doyle (1998) suggests that the marketing management process consists of five specific tasks, namely: identifying target markets, marketing research, product development, marketing mix, and monitoring. Whilst generally accepted in the literature, this definition perhaps belies the fact that the tasks are multi-faceted and are themselves composed of many tasks.

There is general agreement in the literature that the marketing of products or services effectively requires many activities or techniques often known as the 'marketing mix' (Borden 1964), covering such areas as marketing research, product/service development, pricing, distribution, promotion, sales, and packaging (Foxall, 1981; Baker, 1991; Lancaster and Massingham, 1993; Kotler, 1994; 97; Dibb *et al.*, 1997;

Brasington and Pettitt, 1997). As Lancaster and Massingham (1993) note, “..looked at from this point of view, marketing is indeed a functional area of management...which uses a number of highly developed techniques in order to achieve specific objectives”. It has been pointed out earlier, however, that these activities may or may not be carried out by the marketing department or marketing personnel.

### **2.2.3 Marketing within the Organisation - Levels and Dimensions**

It has been pointed out that it is difficult to capture the nature and scope of marketing in one single definition or phrase. A useful framework to conceptualise the role of marketing within an organisation has been proposed by Frederick E. Webster. Webster (1988; 1992) contends that in order to consider the role of marketing within an organisation it must be recognised that marketing operates at three distinct levels, reflecting three levels of strategy. Drawing on the strategic management literature (Schendel and Hofer, 1979; Boyd and Walker, 1990) he defines these as the corporate, business/Strategic Business Unit, and functional/operational levels. Corporate level strategy is concerned with the question “what business are we in?”. Business strategy is concerned with the question “how do we want to compete in our chosen businesses? Functional strategies (marketing, personnel, production, operations, finance) are concerned with implementing the business strategy. Webster (1992) suggests that much of the confusion about the definition of marketing and an understanding of the marketing concept is due to the failure to make distinctions between the different levels of marketing within an organisation. Webster argues that marketing should have a contribution to make at all these levels, not just at the functional level.

Webster (1992) also proposes that in addition to the three levels of strategy, three distinct dimensions of marketing can be defined: marketing as a culture, marketing as a strategy and marketing as tactics. Although Webster makes no direct reference to the work, this is consistent with Baker *et al.*'s (1986) categorisation of marketing factors that enhance corporate performance, namely: attitudinal, strategic, and tactical. Marketing as an attitude or culture is concerned with the acceptance of marketing as a guiding philosophy within the organisation. Strategic marketing would be concerned

with determining how to compete within the chosen businesses in terms of segmentation, targeting and positioning. Tactical marketing is concerned with the implementation of the 'marketing mix' (Webster 1992). Webster (1992:10) points out that, "... though each marketing dimension is found at each level of strategy, the emphasis accorded the separate dimensions of marketing varies with the level of strategy and the level within the hierarchy of the organisation".

Hooley *et al.* (1998) contend that the 'marketing dimensions' framework is particularly useful for understanding marketing. Indeed, the framework was used by Cranfield School of Management (1994) in a major study, on behalf of the Chartered Institute of Marketing, into the role and function of marketing in the UK. To confuse matters, despite making direct reference to Webster's work, they use the term 'levels' of marketing to describe the framework rather Webster's intended 'dimensions'. Despite this, however, the line of argument is consistent:

Marketing should operate at three levels within an organisation: at a business culture, or overarching philosophical level; at a strategic level; and at a tactical level....Using this framework as a basis we can begin to isolate the conditions necessary for an organisations to carry best marketing practices into the future (Cranfield 1994: 68).

## **2.3 Evolution of Marketing Thought and Practice**

This section examines the evolution of marketing thought and practice in the 20<sup>th</sup> Century.

### **2.3.1 Marketing Thought**

Whilst there is no consensus definition of marketing it is generally accepted that the core proposition of marketing is concerned with the identification, creation and maintenance of mutually satisfying exchange relationships (Baker, 1995; Kotler, 1997; Doyle, 1998). Fullerton (1988b) notes that marketing, in its generic sense of voluntary-exchange relationships, goes far back into history. Indeed, Hotchkiss (1938, cited in Jones, 1995) traces the steps in the evolution of marketing back to ancient Rome and Greece through medieval England to modern North American practices. Fullerton

(1988b) notes that although marketing goes far back into history it is undeniable that many differences distinguish present from past marketing,

“...the pervasiveness of marketing activities, their degree of development, their vigor, their effectiveness - in brief, their very ethos - differ markedly across time and across societies; and with these differ the extent of marketing's social, cultural, and economic impact” (Fullerton 1988b:73).

Baker (1995) contends that while marketing has always been an intrinsic element of the commercial exchange process its importance has varied according to shifts in the balance between supply and demand. Sheth *et al.* (1988 p3) note that, “Throughout its history as a separate discipline, marketing thought has been generally dominated at any point in time by one prevailing perspective”. Historically, four different schools of thought have dominated the study of marketing: 1) the commodity school, 2) the institutional school, 3) the functional school, and 4) the managerial school (Hunt and Goolsby 1988; Sheth *et al.* 1988; Webster 1992; Baker 1995).

Academic study of marketing began at the beginning of the twentieth century in the midwestern American Universities such as Wisconsin and Michigan (Hunt and Goolsby, 1988; Jones and Monieson, 1990; Webster, 1992). It was here that economists, many of who had studied in Germany, looked to develop marketing as a discipline distinct from the founding field of economics (Sheth *et al.*, 1988; Jones and Monieson 1990). Three separate schools of thought evolved from these universities: commodity, institutional and functional. The commodity school concentrated on the physical characteristics of products whereas the institutional school was concerned with analysing the organisations involved in the marketing process such as intermediaries. The functional school focused on the activities that were performed by organisations during the marketing process such as selling, advertising, pricing and distribution.

Shaw (1912) and Weld (1917) are widely credited as being the founders of the functional school of marketing with their work leading to widespread interest in this approach (Hunt and Goolsby, 1988; Sheth *et al.*, 1988). As a result the functional approach was the dominating school of thought from the early 1920s through to the 1950s. Hunt and Goolsby (1988) suggest that there are a number of reasons for the

dominance of the functional approach. Firstly, the United States was moving away from a purely agricultural economy towards an industrial economy. The commodity approach was largely agriculturally oriented and therefore seen to be less appropriate for the times. Secondly, marketing scholars increasingly felt that it was more important to study the functions that institutions carried out rather than the institutions themselves. Thirdly, the onset of the Great Depression in the 1930s with the resulting excess supply problems led to increased interest in the problems associated with marketing products and services rather than in production issues. Research and managerial techniques were developed and refined in efforts to expand markets which had been severely effected by the Great Depression (Fullerton 1988b). The period 1920 to 1940 saw a rapid growth in the teaching of business and marketing at American universities (Nevett and Fullerton 1988) with the first seven textbooks on the subject of marketing published in the 1920s and the formation of the American Marketing Association in 1937 (Hunt and Goolsby 1988).

By the late 1950s, the functional school of thought was beginning to lose its position as the dominant school of marketing thought. Hunt and Goolsby (1988) suggest that there were two environmental reasons for the demise of the functional school of marketing from the 1960s onwards. Firstly, in 1959 two reports on the state of business education in the US concluded that college courses were too descriptive in content and lacking in professional approach that would prepare students for their whole career. Business schools responded by increasing the analytical and intellectual content and adopted a more professional and managerial approach. The changing nature of competition in the American economy in the 1960s also contributed to the decline in popularity of the functional approach. As Hunt and Goolsby (1988:42) note:

After World War II the United States was the only major nation of the world whose industrial structure was still intact. With ready markets in Europe and Asia, the most pressing problems for American industry lay in the area of production, not marketing. However, beginning in the 1950s, competition increased dramatically both within the United States and in world markets. As a consequence, American industry once again turned its attention toward problems in the marketing arena. This led to the development and subsequent acceptance of "the marketing concept" and the rise of the professional marketing manager in American history.



This point is also made by Webster (1988:31) who observes that, “As the American economy matured into a consumer society in the 1950s, and as post-war conditions of scarcity were replaced by an abundance of manufacturers and brands scrambling for the patronage of an increasingly affluent consumer, the marketing concept evolved”.

From 1960 onwards marketing thinking and practice has been dominated by the marketing management school of thought (Hunt and Goolsby, 1988; Sheth *et al.*, 1988; Baker, 1995). Although the expression ‘marketing management’ was in use from as early as the 1920s, the managerial approach to the study of marketing truly evolved in the 1950s and 1960s (Sheth *et al.*, 1988; Marion, 1993; Webster, 1992; Baker, 1995) with the first marketing management textbooks published in this period (Alderson, 1957; McCarthy, 1960; Kotler, 1967). The emphasis of these texts was predominantly on the problems of the marketing manager as in addition to covering the characteristics of the marketing functions (Hunt and Goolsby, 1988). Sheth *et al.* (1988) and Marion (1993) point out that the formalisation of many key concepts of marketing management took place during this period including: the marketing concept (Drucker, 1954; Felton, 1959; Levitt, 1960), the product life cycle (Dean, 1951), segmentation (Smith, 1956), and the marketing mix (Borden, 1964). As Baker (1995:13) observes:

The marketing management school, which evolved in the late 1950s and early 1960s, is inextricably linked with the concept of the marketing mix and an analytical approach to marketing management following the positivist sequence of Analysis, Planning, and Control.

Philip Kotler was later to give gravitas to the issue of implementation issues and entitled his main marketing management text as *Marketing Management, Analysis, Planning, Implementation and Control* (Kotler 1992;1997). Although the managerial approach was to become the dominant approach from the 1960s onwards, Sheth *et al.* (1988) point out that the impact of the functional approach can still be seen with many companies still organised along functional lines and academic institutions still offering courses in specific elements of the marketing function. Indeed many of the functions of marketing still occupy prominent positions in marketing textbooks although within the context of integration and marketing management.

### 2.3.2 Marketing Practice

The marketing management school have widely adopted the three 'eras' or 'periodisation' model to explain the development of marketing practice in the 20<sup>th</sup> century (Marion, 1993; Baker, 1995). The inspiration for this conceptualisation comes from Robert Keith's (1960) frequently cited article on the evolution of marketing at the Pillsbury Company (Fullerton 1988a) in which he describes the three eras: production, sales and marketing. According to Keith, Executive Vice President and a Director of the Pillsbury Company, the production era ran from the firm's beginning in the 1860s through to the late 1920s where management emphasis was on production rather than distribution. The sales era followed on from the 1930s through to mid-1950s and was characterised by management emphasis on personal selling, advertising and sales promotion. The marketing era commenced in the mid-1950s with the emphasis on sophisticated customer orientation.

Keith's periodisation model has been presented in many marketing textbooks since its publication. Two recent marketing management texts (Brassington and Pettit, 1997; Kotler, 1997) both present the evolution of marketing in terms of eras suggesting that both companies and industries have moved through at least three stages namely; production, sales and marketing. Marion (1993:148) is critical of many textbook authors who have subscribed to Keith's "...caricatural presentation of the reality of marketing practices" without any reservations, and goes on to argue that, "...the periodisation suggested by the author, while possibly applying to Pillsbury, cannot necessarily be generalised to the whole of the American economy, let alone to all types of countries".

Historical analysis by Fullerton (1988a) suggests that the development of modern marketing in the United States and Britain has been much more protracted and complicated than that expressed by Keith's (1960) periodisation scheme of the production, sales and marketing eras. Fullerton (1988a) documents the extent of producers' marketing activities and initiatives during the years 1870-1930 and concludes that, "Most of our modern marketing practices began to develop much earlier

than commonly believed – certainly before 1950, usually before 1930, and, especially in the British example, in important respects before 1850” (p.123). In place of Keith’s ‘catastrophic’ model Fullerton suggests a ‘complex flux’ model that proposes modern marketing’s evolution as a complicated and fluid process incorporating simultaneous dramatic change, incremental change, and continuity. Whilst accepting Fullerton’s evidence of early marketing practices Baker (1995:11) contends that the marketing era, “marked a major change in business philosophy from a producer-led interpretation of consumer needs to a consumer-driven approach to production”. Baker (1995) goes on to argue that the periodisation conceptualisation still remains a useful pedagogical device as it seeks to distinguish between marketing as a practice and marketing as a philosophy of business and as a result, “...provides a convenient framework for summarising changes in the dominant orientation of business management” (p.13). In summary, there is clear evidence of modern marketing practices being used by companies from 1870 onwards, however there is a strong body of literature that suggests that it was not until the 1950s that marketing began to be accepted as a necessary business philosophy.

From the late 1950s marketing management became an accepted business function, particularly in the leading consumer goods companies such as Procter and Gamble, Colgate-Palmolive, General Foods and Gillette, who created professional marketing departments and adopted brand management systems (Garda, 1988; Webster, 1992). Webster (1992:3) observes that these marketing departments, “typically included functional specialists in sales, advertising and promotion, distribution, and marketing research, and perhaps managers of customer service, marketing personnel, and pricing”.

Baker (1992) suggests that marketing was first adopted on a large scale by the United States in the 1950s followed by the West Germans and the Japanese in the 1960s, and “belatedly” by the British in the late 1970s. Similarly Hayes (1988) contends that by the late 1960s marketing was well established throughout the United States and was starting to take a hold in Europe. Companies such as Procter and Gamble, Lever Brothers, Coca-Cola, General Electric, General Motors, American Express, and IBM are often cited as being some of the early adopters and leaders of marketing in their respective industries

(Garda, 1988; Hayes, 1988; Webster, 1992; Kotler, 1997). Table 2.2 describes the development of marketing at General Electric in the United States (Hayes 1988:17).

**Table 2.2 Development of Marketing at General Electric**

#### **Marketing at General Electric, 1944–1982**

General Electric is widely credited with pioneering the marketing concept in the United States in the early 1950s. As with Mitsui, International Harvester, Sears Roebuck, and others, signs of marketing at General Electric were manifested much earlier. Owen D. Young, the company's chairman from 1922 to 1940, certainly captured the spirit of customer orientation when he told employees that if they felt grumpy they should blow up a GE plant rather than bark at a customer. "We can rebuild a plant," he said, "but we can never get back the lost goodwill."<sup>1</sup>

More formally, marketing as a business philosophy emerged when a company committee on marketing was formed in 1944, and the marketing concept was introduced and tested at two subsidiary companies. By 1949 a marketing guide had been written, and in 1950 the first marketing vice president was appointed. During 1951 and 1952 a companywide implementation program was initiated to develop understanding and gain acceptance of the marketing concept.

As described in GE's 1952 Annual Report:

"In 1952 your Company's operating managers were presented with an advanced concept in marketing, formulated by the Marketing Services Division. This in simple terms would introduce the marketing man at the beginning rather than at the end of the production cycle and would integrate marketing at each phase of the business.

"Thus marketing through its studies and research, would establish for the engineer, and the manufacturing man what the customer wants in a given product, what price he is willing to pay, and where and when it would be wanted.

"Marketing would have the authority in product planning and production scheduling, inventory control, as well as the sales, distribution and servicing of the product. This concept it is believed will fix responsibility while making possible greater flexibility and closer teamwork in the marketing of the company's products."

During the rest of the 1950s, marketing continued to develop a strong hold on General Electric's

management practices. Marketing was established as one of five natural business functions (in addition to engineering, manufacturing, finance, and employee community relations), and each of over 100 product departments or profit centers had its own marketing department. In 1954, Fred Borch, later to become president of the company, was appointed vice president of marketing services, responsible for extensive consulting and marketing education activities. By 1960 marketing was well-established, not just on the organization charts, but as a mainstream legitimate business function with its own heroes, customs, and folklore.

Marketing as it developed and was practiced at General Electric has been widely chronicled in business and academic literature and in cases written for classroom teaching purposes. With few exceptions, the company's marketing practices received favorable attention. In a particularly glowing report, the November-December 1967 issue of *Marketing Forum* asserted that "General Electric is the complete marketing company. The marketing concept pervades the company from top to bottom. How they do their work and how they train their people rates study by all marketers."

Seemingly the 1960s should have been a decade in which the company reaped a reward for its commitment to marketing. And yet, in 1970 and 1971, GE's management described the decade as one of profitless growth and the job of marketing vice president was abolished.

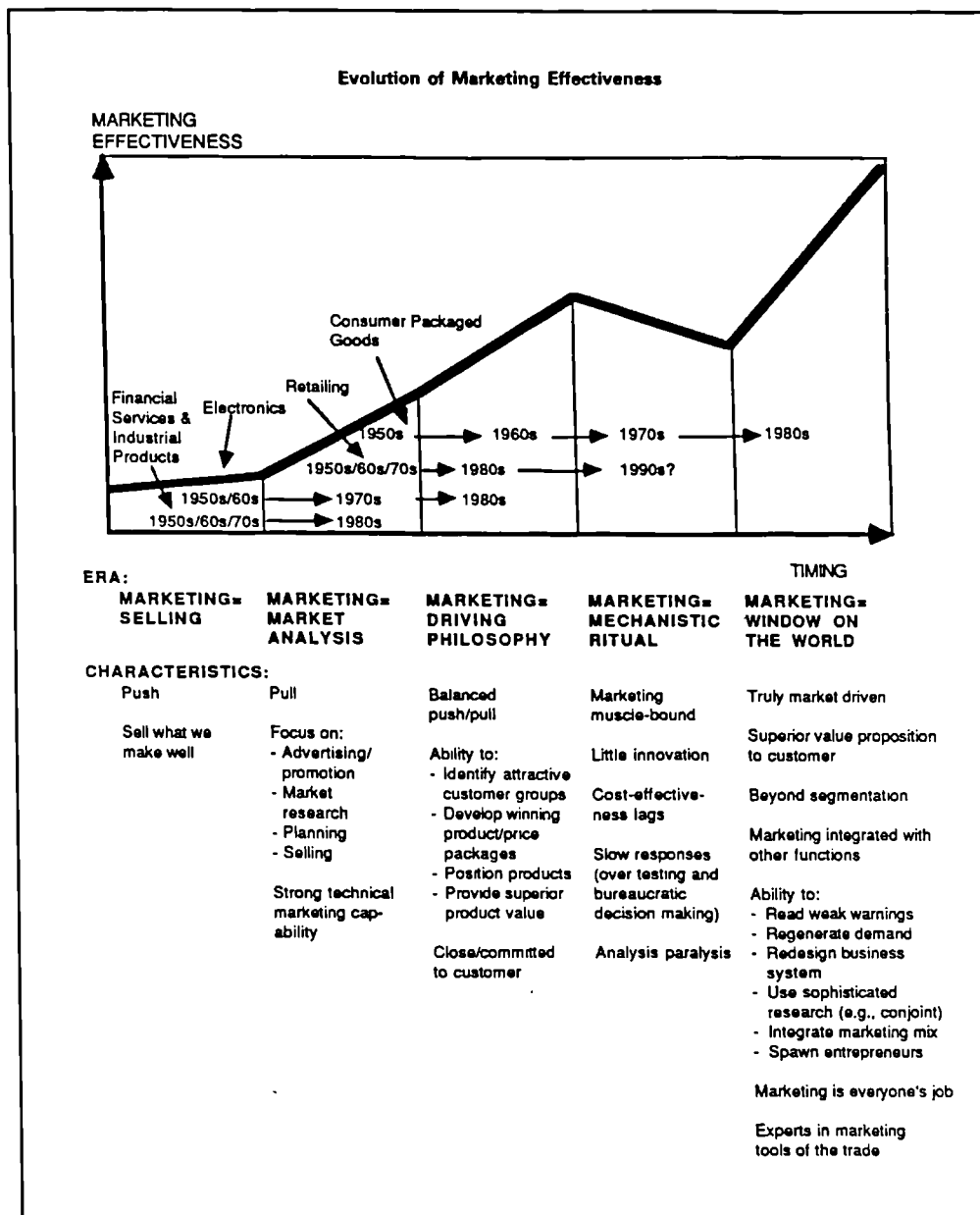
For General Electric, as for many companies, the marketing concept held out more promise than it had delivered. While pockets of marketing excellence remained, strategic planning became the new intellectual force that guided the company's activities. Throughout the 1970s strategic planning flourished and, again, the company's practices were widely reported and generally praised in both academic and business literature. But in 1982, following significant reductions in strategic planning staffs and practices, a vice president of marketing was once again appointed. His major challenge: "Leading General Electric in a marketing renaissance."

1. Donald D. Holt, "The Hall of Fame of Business Leadership," *Fortune*, 23 March 1981, 110.

The experience at General Electric in the 1970s and 1980s is often presented in the literature as applying to American industry in general. Marion (1993) observes that between 1970 and 1980 a degree of disillusionment with regard to marketing appeared

with a recognition that implementation of the marketing concept was not a formality. As a result strategic planning dominated management thinking and practice in the 1970s after the promises offered by the marketing concept failed to materialise in many companies (Hayes, 1988; Webster, 1988; Webster, 1992; Marion, 1993). However, the 1980s saw the renaissance of the marketing concept as marketing was given the opportunity to reassert itself after strategic planning procedures were criticised for being too bureaucratic and unable to solve implementation problems (Hayes, 1988; Webster, 1988; Marion, 1993).

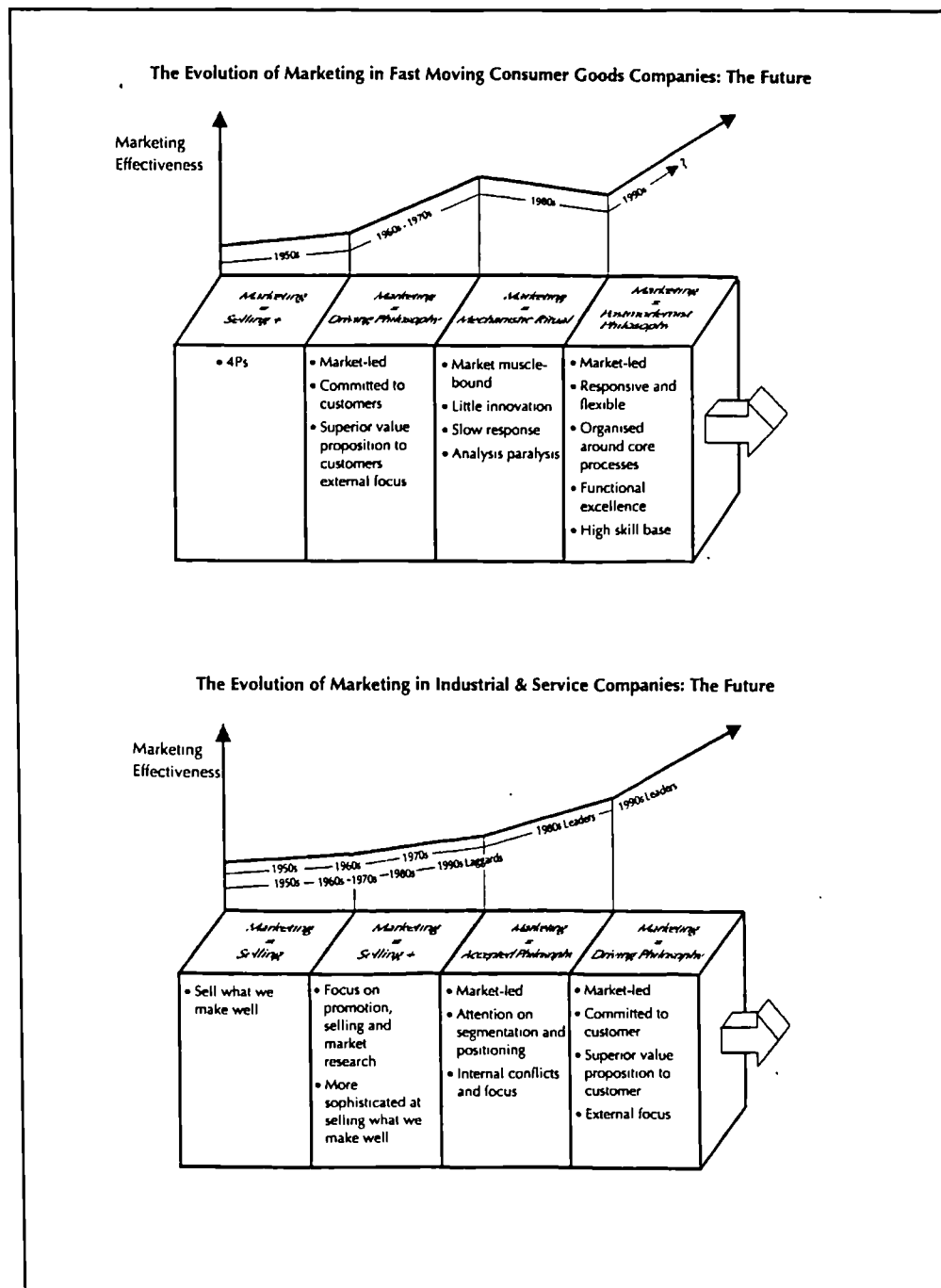
It is generally believed that the adoption of marketing was led by consumer-packaged-goods companies, followed by consumer durable companies, and industrial goods companies. Marketing was adopted more slowly by the service industries with not-for-profit organisations only moving towards marketing from the mid 1980s onwards (Garda, 1988; Hayes, 1988; Webster, 1992; Kotler, 1997). The extent to which marketing was adopted varied from company to company. Garda (1988:33) contends that not all industries in America have evolved at the same pace (See Figure 2.1) and suggests that consumer packaged goods companies such Procter and Gamble, and Coca-Cola appear to have evolved the farthest due to their “disciplined creativity”. Several formative studies in the US lend credence to this argument and suggest that industrial firms lagged behind consumer goods companies in terms of the degree to which they had adopted and implemented the marketing concept (Hise, 1965; Mcnamara, 1971). Ames (1970) contends that many industrial companies have failed to understand the substance of the marketing concept and had merely adopted some of its superficial trappings. A criticism that others would also level at many consumer companies too.



**Figure 2.1 The Evolution of Marketing in the US.**

Garda's evolution model has been adapted by Cranfield (1994:114) to map the evolution of marketing in the UK (See Figure 2.2). The Cranfield model is very similar to the Garda model but also recognises the existence of marketing leaders and laggards within industrial and service industries. Similar to the situation in the United States, the Cranfield study (1994:9) observes that, "The start of modern day marketing in the UK is synonymous with brand marketing in FMCGs in the 1950s and 60s, of companies such as Unilever and Procter and Gamble". The success of marketing in FMCG

manufacturing companies in the UK led to marketing being extended to the consumer durable, industrial, and the service sectors in the 1970s and 80s.



**Figure 2.2 The Evolution of Marketing in the UK.**

A number of formative research studies carried out in the 1980s and 1990s suggest that the extent to which marketing principles and practices have been adopted by firms is

variable both between and within industries. Table 2.3 summarises these UK based studies in terms of the industry focus, methodology, and findings.

**Table 2.3 UK Research into Marketing Practices**

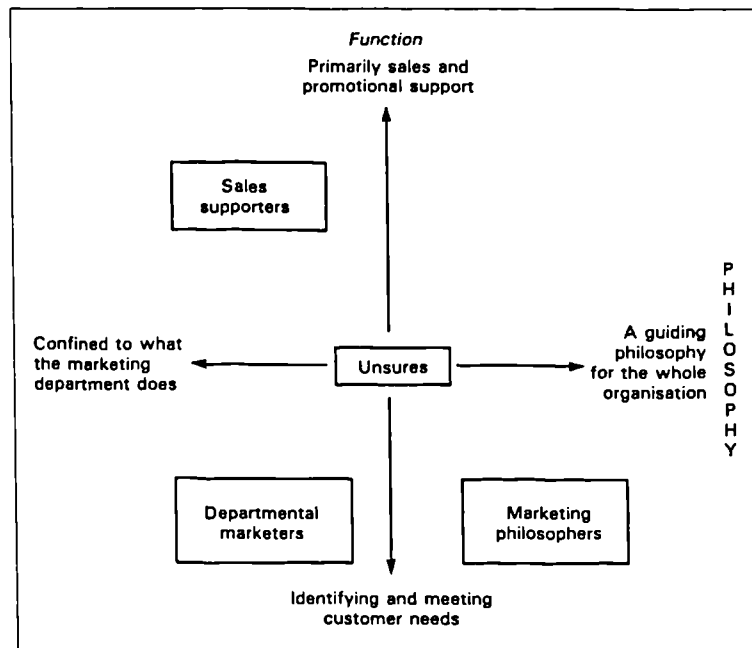
YEAR	AUTHORS	INDUSTRY	METHODOLOGY	FINDINGS
1984	Hooley et al (1984)	cross section	postal questionnaire	Aim to provide an overview of the state of the marketing art/practice in the UK. Commissioned by the Institute of Marketing. While the High Flier (ROI, profit, market share) profile is effectively a summary of conventional wisdom on marketing excellence, the authors point out that the High Fliers represent a minority of the sample.
1985	Hooley and Cowell (1985)	Service	postal questionnaire	Further analysis of Hooley et al (1984) survey data. Marketing in service companies lags some way behind that in product companies. Scope for many companies to take a much more professional marketing approach than they do at present.
1990	Morgan (1990)	accounting	postal questionnaire	Marketing is firmly established in organisational terms as a business function. However accountancy firms are a long way from adopting market-led customer-driven orientations implicit in the marketing concept. CME or marketing department primarily responsible for marketing communications with little control over service offering, price and delivery. Marketing information function used infrequently.
1990	Morgan (1990)	accounting and legal	postal questionnaire	The role and function of marketers within accountancy and law firms is a long way removed from the models presented in textbooks. Marketing seen essentially as a marketing communications role. Propose a role for internal communications to create market orientation.
1990	Hooley et al (1990)	cross section	postal questionnaire	Argue that marketing has taken on more of a lead in many companies since 1984 study. Identifies distinct approaches to marketing. Suggests that an added emphasis is needed on the philosophy of marketing to discourage departmental marketing.
1991	Morgan and Morgan (1991)	consulting engineering service	postal questionnaire	Firms have adopted trappings but not substance of marketing and are neglecting the market-led orientation that is fundamental to the implementation of the marketing concept. Potential for increased responsibility of CME beyond communications. Limited use of marketing information.
1991	Brooksbank (1992)	manufacturing	postal questionnaire, interviews	The most successful firms demonstrate a better understanding of key marketing principles as well as greater consistency in their application.
1992	Thwaites and Lynch (1992)	building societies	postal questionnaire	Trend towards greater endorsement of the marketing concept although the speed and depth of this transition varies between societies and exhibits size connotations i.e. larger firms are more marketing oriented.
1992	Greenley and Shipley (1992)	retailing	postal questionnaire	Supermarkets seem to employ marketing orientation more widely than department stores employing more specialist marketing managers and making greater use of market research.
1993	Dibb and Simkin (1993)	Leisure facilities	interviews	Marketing function has grown from a promotions focus to control all aspects of customer service and is increasingly involved in product development. There is a need to broaden the scope of marketing to involve more strategy and planning. A dearth of marketing intelligence and systems. Limited resources and budgets.
1994	Coopers and Lybrand (1994)	FMCG, retail, service	postal questionnaire	Marketing as a discipline is more vital than ever, marketing as a department is increasingly failing to match up to expectations. The marketing department is 'critically ill'. Marketing has a wider role in FMCG companies than in other sectors (retail and services) where it is highly focused on advertising and promotions.
1995	Yisa et al (1995)	construction contracting	postal questionnaire	Survey results indicate that firms are increasingly realising the importance of marketing although marketing is conducted in an ad hoc manner. A lack of planning and control and use of marketing professionals also identified.
1995	Greenley (1995)	cross section	postal questionnaire	A wide range of forms of market orientation identified illustrating its multidimensional nature.
1995	Lui (1995)	manufacturing	postal questionnaire	Results of survey indicate that large and extra-large firms are more market oriented than medium-sized firms. Study suggest that many UK firms are operating with a short-term perspective.
1995	Parkinson et al (1995)	manufacturing	interviews, benchmarking	Using marketing excellence framework classified companies as stragglers, copers, travellers, professionals. Smaller firms less likely to adopt best practice techniques.
1995	Shaw and Alderson (1995)	new golf developments	postal questionnaire	Finds few of new golf developments have understood the nature of demand for the market due to lack of market research on their market, customers and competitors. Also found failure to employ marketing mix activities effectively.
1996	Rafiq and Pallet (1996)	engineering	postal questionnaire	Finds that engineering companies have made a small but progressive move towards implementing a marketing orientation. A number of companies just started trying to adopt a marketing orientation. Many engineering organisations suffering from trappings over substance syndrome. Role of marketing is seen mainly as seen as selling with emphasis on communications. Little marketing research and strategic marketing planning.
1997	Parkinson et al (1997)	retailing	interviews, benchmarking	Using marketing excellence framework classified companies as stragglers, copers, travellers, professionals. Retailers appear to have a larger percentage of companies on the road to excellence than the manufacturing sector.



The large majority of the research has been quantitative in nature with a dominant reliance on postal questionnaires to single respondents within organisations. Several studies have focused on a cross section of industries (Hooley *et al.*, 1984; Hooley *et al.*, 1990; Coopers and Lybrand, 1994; Greenley, 1995) whilst there have been a number of studies of marketing practices within the service sector including: general services (Hooley and Cowell, 1985), accounting (Morgan, 1990a), accounting and legal (Morgan, 1990b), engineering consultants (Morgan and Morgan, 1991), building societies (Thwaites and Lynch, 1992), retailing (Greenley and Shipley, 1992; Parkinson 1997), and leisure facilities (Dibb and Simkin, 1997; Shaw and Alderson, 1995). Several studies have also focused on the practices of manufacturing and engineering firms (Brooksbank, 1992; Lui, 1995; Parkinson *et al.*, 1995; Yisa *et al.*, 1995; Rafiq and Pallet, 1996).

There have been several studies that have aimed to identify company marketing practices in a cross section of UK industries. In a study commissioned by the Institute of Marketing, Hooley *et al.* (1984) found that the 'High Flier' firm profile was effectively a summary of conventional wisdom on marketing excellence although these firms represented only a minority of the sample (Hooley *et al.*, 1985). Further analysis of the same survey data by Hooley and Cowell (1985) found that marketing in service companies lagged some way behind that found in product companies and the authors suggested the need for a more professional approach to marketing. Six years on from their 1984 study into the state of marketing within UK businesses, Hooley *et al.* (1990) found that marketing had taken on more of a lead in many companies although the authors concluded that greater emphasis was needed on the philosophy of marketing to discourage departmental marketing. Interestingly, the study identified three distinct approaches to marketing which suggested a natural progression of marketing development within the company from sales support, to departmental marketing, to the adoption of marketing as a guiding philosophy for the whole organisation (See Figure 2.3). The authors note that this is line with Keith's (1960) description of phases of marketing evolution at the Pillsbury Company and suggest that this natural progression may apply to all companies. Using the same research methodology, Thwaites and Lynch (1992) found similar classifications within the building society sector and

suggested that the speed and depth of the transition towards a greater endorsement of the marketing concept within firms exhibited size connotations. On a similar note to these two studies Greenley (1995) identified a wide range of forms of market orientation within firms across a range of industries illustrating the multidimensional nature of market orientation.



**Figure 2.3 Approaches to Marketing**

In 1994 a survey of managing directors and marketing directors within large FMCG, retail and service sector organisations found that marketing as a department is increasingly failing to match up to expectations (Coopers and Lybrand, 1994). The study also found that marketing has a much wider role in FMCG companies than in retail and service sectors where the focus is predominantly on advertising and promotion. Similarly, Morgan (1990a; 1990b) noted that although the accounting and legal profession had established marketing as a business function its role was far removed from the models presented in the textbooks with the Chief Marketing Executive or marketing department predominantly concerned with marketing communications activities. Research by Dibb and Simkin (1993) found that in Leisure facilities the marketing function had grown from merely a promotions focus to encompass customer service and product development. However their study noted the

dearth of marketing intelligence and systems within these leisure companies and the need for greater strategy and planning supported by greater investment in budgets and resources. This lack of use of marketing intelligence was also found by Shaw and Alderson (1995) in their study marketing of new golf course developments where they also noted a failure to employ marketing mix activities effectively.

Whilst the Coopers and Lybrand (1994) study was somewhat critical of marketing within the retail sector Greenley and Shipley (1992) noted that supermarkets were more market orientated than department stores, employing more specialist marketing managers and making greater use of market research. Research by Parkinson *et al.* (1997) noted that retailers appear to have a larger percentage of firms on the road to marketing excellence than the manufacturing sector. Indeed, a survey by Rafiq and Pallet (1996) found that whilst engineering firms have made a small but progressive step towards implementing a marketing orientation many firms are only paying lip service to marketing. According to Rafiq and Pallet the role of marketing in engineering firms is mainly seen as a selling role with an emphasis on communications with very little importance attached to market research and strategic planning. Similarly, a survey by Lui (1995) found that many UK manufacturing firms are operating with a short-term perspective. Yisa *et al.* (1995) found that whilst construction contractor firms are increasingly realising the importance of marketing, much of their marketing activities are conducted in an ad hoc manner with firms suffering from a lack of planning and control systems and limited use of marketing professionals.

It is worth noting that several surveys of marketing practices within manufacturing firms have identified variable levels of marketing excellence between firms. Brooksbank (1992) found that the most successful firms demonstrated a better understanding of key marketing principles as well as greater consistency in their application. Lui (1995) found that large and extra large manufacturing firms were more market oriented than the medium sized firms. This finding mirrors that of a similar study in the US in the 1970s by McNamara (1972). Similarly, in a major study of marketing practices within manufacturing companies sponsored by the Chartered Institute of Marketing, Parkinson *et al.* (1995:9) found that, "The adoption of best

practice techniques increases with size, perhaps reflecting the greater range of skills available. Increasing complexity of tasks and greater resources are available to devote to 'planning rather than doing'. Interestingly the study identified four groups of manufacturing firms based on the extent to which they demonstrated 'marketing excellence'. The first group are labelled 'Stragglers' and are firms that have been left behind in terms of the use of best-practice techniques. The second group are labelled 'Copers' and are companies that have adopted some best practice techniques and are coping with their environment, albeit in an imprecise way. The third group are labelled 'Travellers' and are companies that are frequently in transition to excellence and who perform very well in some areas of marketing but not necessarily everywhere. Finally, 'Professionals' are companies that manage all elements of marketing effectively with many processes managed excellently. This typology is similar to that identified by Hooley *et al.* (1990) and Thwaites and Lynch (1992) in as much as both typologies suggest an evolutionary process towards becoming fully market orientated.

## **2.4 Sports Marketing Defined**

The term 'sports marketing' was first used in 1979 by the US trade magazine Advertising Age to describe activities of companies that were increasingly using sport as a promotional vehicle (Kelsner 1979). However, as Mullin *et al.* (2000) point out this conception is limited as the marketing of sports events, products and services is also a major element of sports marketing theory and practice. The following definitions of sports marketing are taken from three of the leading sports marketing textbooks and reflect both aspects of sport marketing.

Sport marketing consists of all activities designed to meet the needs and wants of sports consumers through exchange processes. Sport marketing has developed two major thrusts: the marketing of sports products and services directly to consumers of sport, and the marketing of other consumer and industrial products or services through the use of sports promotions (Mullin *et al.* 1993:6).

Sport marketing is a social and managerial process by which the sport manager seeks to obtain what sporting organisations need and want through creating and exchanging products and value with others (Shilbury *et al.* 1998:13).

Sports marketing is the specific application of marketing principles and processes to sport products and to the marketing of non-sports products through association with sport (Shank 1999:2).

These definitions are very similar to general definitions of marketing identified earlier in the chapter in the sense that they refer to sports marketing as both a management process and an exchange process. Indeed, both Mullin *et al.* (1993; 2000) and Shilbury *et al.* (1998) note that their definitions of sport marketing are adapted from general definitions of marketing. The definitions proposed by Mullin *et al.* (1993) and Shank (1999) also make explicit reference to two distinct but complimentary aspects of sports marketing namely the marketing 'of' sport and marketing 'through' sport. This distinction is also made by Shilbury *et al.* (1998) in their sports marketing text. The marketing 'of' sport involves sports leagues, associations, clubs and individuals marketing their events, products and services directly to sports customers. Marketing 'through' sport refers to the activities of consumer and industrial organisations that use sport as a vehicle to market their products and services to sports customers.

This thesis is concerned primarily with the marketing 'of' sport at the club level, namely English professional football clubs, although it is recognised that sports marketers need to be concerned with the marketing of their sport to both the sport consumer and to those who use sport as a marketing vehicle *i.e.* sponsors and advertisers. Marketing a professional sports club therefore involves marketing the event and ancillary products and services to both consumers and businesses (Mullin *et al.*, 1993; Mason and Coan, 1994; Shank, 1999). The sports marketer will need to develop marketing strategies aimed at both sports fans and businesses including sponsors, advertisers, hospitality clients, and media organisations. While the focus of this thesis is not on the management of the playing side of the sports organisation it is recognised that the success of the team will have a major impact on the success of the commercial operations of the organisation. This relationship will be examined in greater detail in Chapter 5.

### 2.4.1 Stakeholders

A professional sports club, like any other organisation, will have a number of stakeholders. Doyle (1996) highlights the need for organisations to determine and understand the specific interests and needs of each stakeholder. Brooks (1994) and Shilbury *et al.* (1998) label such stakeholders as sports publics. Shilbury *et al.* (1998) suggest that diverse publics exist for a club competing in a professional league. Brooks (1994) notes that it is important to understand these forces and how they operate, as each one will have an economic effect on the club. The stakeholders for a professional sports club would include: sponsors; media; community groups; corporate clients; fans; shareholders; government agencies; agents; playing staff; non-playing staff; other league clubs; and a range of agencies and industry associations related to the sport.

The media plays an important role in the sports industry both as a revenue provider as well as a promoter of the sport. The sport benefits from widespread media publicity and it is therefore beneficial for sports organisations to have good relations with the media. Many authors characterise the relationship between television and sport as symbiotic, by which they mean the supporting but vitally necessary effects of one upon another, which in the course of time crystallises to a strong bond (Lobemeyer and Weidinger, 1992). In the 'television Sport System' theoretically no one is at a disadvantage. The sport organisations receive more money and a higher degree of exposure and recognition. The networks earn more from the commercial fees than they spend on coverage rights. The companies which advertise during the sport shows reach a large targeted audience for their products. The fans put up with the commercial breaks since they can watch their favourite sports at home on television (Lobemeyer & Weidinger, 1992). Sport is followed by far more people than actually attend the matches in person. Television has therefore opened up the market for sport by making it more widely accessible. For example, in the 1993/94 season total attendances in the English football league's were 20 million whereas the total viewing figures for the League and Cup games televised live was 200 million (Football Trust 1994). One of the main goals of television sport presentations undoubtedly lies in the entertainment factor (Lobemeyer & Weidinger, 1992). This is because it is likely that the majority of television match viewers will be less committed fans or neutrals *i.e.* not support either team, and will

therefore will be more concerned with the entertainment level than the final result. This is in contrast to the direct spectator who is likely to be partisan and therefore concerned with the final result as well as the entertainment level. Sports organisations therefore need to cater for both consumers. This highlights the fact that the sports consumer market is not one homogenous group but is composed of sub-segments who may have different requirements.

Many companies use sport as a vehicle to promote their products and services to their respective target audiences. This, as pointed out earlier, is often termed marketing 'through' sport (Mullin *et al.*, 1993; Shilbury, 1998; Shank, 1999). Sponsorship has become an increasingly important part of sport's financial equation (Gerrard, 1999; Meenaghan, 1999). Meenaghan (1983) defines sponsorship as the provision of assistance either financial or in kind to an activity by a commercial organisation for the purpose of achieving commercial objectives. Mullin *et al.* (1993:204), although describing this activity as promotional licensing, propose a similar definition, "...the acquisition of rights to affiliate or associate with a sports product or event".

Commercial sponsorship represents one of the fastest growing sectors of marketing communications activity with world-wide expenditure increasing from \$2 billion in 1984 to \$18.1 billion in 1997 (Meenaghan, 1999). Sport is the dominant sponsorship medium accounting for an estimated 60% to 70% of total sponsorship expenditure (Gerrard, 1999). Sports sponsorship provides businesses with a wide range of opportunities to promote their products and services to their various stakeholders. Sponsors are attracted by the popularity of the sport and the resulting media exposure. Sponsorship allows companies to target specific market segments and provides them with an alternative to the more traditional communications tools such as advertising which has become increasingly expensive and prone to 'clutter' (Marshall and Cook, 1992). Sponsorship objectives might range from building brand awareness and image to generating sales leads and repeat business. Many sponsors will use sport for corporate hospitality exercises aimed at both clients and employees. A club sponsorship deal might involve the following; stadium name rights, logo on the club kit, perimeter board advertising, exclusive product supply in the stadium, exclusive product category

program advertising, the right to special appearances from players, corporate hospitality suites and match-day tickets (Cope, 1993). Meenaghan (1999) suggests that a consequence of the increased levels of investment in sports sponsorship is that a more hard-nosed corporate attitude now drives sponsorship decision-making, as opposed to previous situations where more emotional decision making criteria might have been used (Thwaites, 1995). This has implications for sports marketers within professional sports organisations as they will, more than ever, need to provide an attractive sponsorship package and a persuasive argument to attract potential sponsors.

#### **2.4.2 Unique Characteristics**

A number of authors contend that the unique characteristics, or special nature, of the sport product and market conditions require sports marketing personnel to adopt different marketing approaches from those used in other business sectors (Mullin, 1985; Shilbury, 1989; Sutton, 1991; Sutton & Parret, 1992; Mullin *et al.*, 1993; Shilbury, 1994; Shilbury *et al.*, 1998). The following section examines these characteristics, the extent of their uniqueness, and the implications for sports marketers within professional football clubs.

##### **2.4.2.1 Emotional Attachment and Identification**

Sport differs from other sources of entertainment by evoking high levels of emotional attachment and identification (Sutton *et al.*, 1997; Shank, 1999). Taylor (1994) humorously points out that while no one casts the ashes of their dead down the aisle of Tesco's supermarket, they do in football grounds all over the country. This emotional attachment and identification with a professional sports club can be a double-edged sword for sports marketers. On the one hand this fan loyalty means that supporters are unlikely to switch to a competing club and their attachment also provides commercial opportunities for product and service extensions in areas such as merchandising. However, this club loyalty also limits the opportunities for market expansion within the geographical area and can also leave sports marketers open to accusations of exploitation if not handled with care and sensitivity. Sutton *et al.* (1997) have developed



a conceptual framework for understanding the antecedents and outcomes of fan identification. They argue that the degree of fan identification is not only determined by the team characteristics and performance but can also be influenced by off-field activities such as how the club is managed and the sense of community affiliation that is developed. Sutton *et al.* (1997) suggest that there are several strategies within the sports marketer's control that can help increase fan identification including; increasing team/player accessibility, increasing community involvement activities, reinforcing the team's history and tradition, and creating opportunities for group affiliation and participation. This view is supported by Shank (1999) who suggests sports marketers should be concerned with building and maintaining high levels of fan identification for organisations and their players.

#### **2.4.2.2 Joint Product Interdependence**

Unlike other industries the professional sports market is characterised by joint interdependence in that the clubs together provide the core product *i.e.* the game (Cairns *et al.* 1986). Sports organisations therefore simultaneously compete and co-operate (Mullin 1985; Shilbury 1989). The relationship which exists between one professional football club and its rivals is characterised by mutual dependency as without each other there is no product. The characteristic of joint product interdependence has major implications both for the organisation of the industry and for the rules which regulate the activities and behaviour of its constituent clubs (Sutherland and Howarth 1986). It is therefore not possible to consider the marketing of individual football clubs in isolation from the marketing of the sport as a whole as marketing plays an important role at the league/association level of the sport. It is the league authorities who will decide on the nature of the core product offered *i.e.* league structure, rules and regulations, match scheduling. The league also play an important role in the marketing and promotion of the professional sport as a whole to its various stakeholders. For example, the league will be responsible for securing centralised television and sponsorship contracts and distributing the income amongst the clubs.

### 2.4.2.3 Focus and Locus of Control

The sport product is a complex bundle of benefits, a total package whose inherent characteristics are the match itself and the particular facilities, products and services offered by the clubs (Peel & Thomas 1988). The sport spectacle can be viewed as just one element of an overall product package (Shilbury 1994). An adaptation of Kotler's (1997) product levels model has been developed to highlight the key elements of the product/service offering to spectators and to help distinguish the marketer's responsibility for and control over these elements (See Figure 2.4).

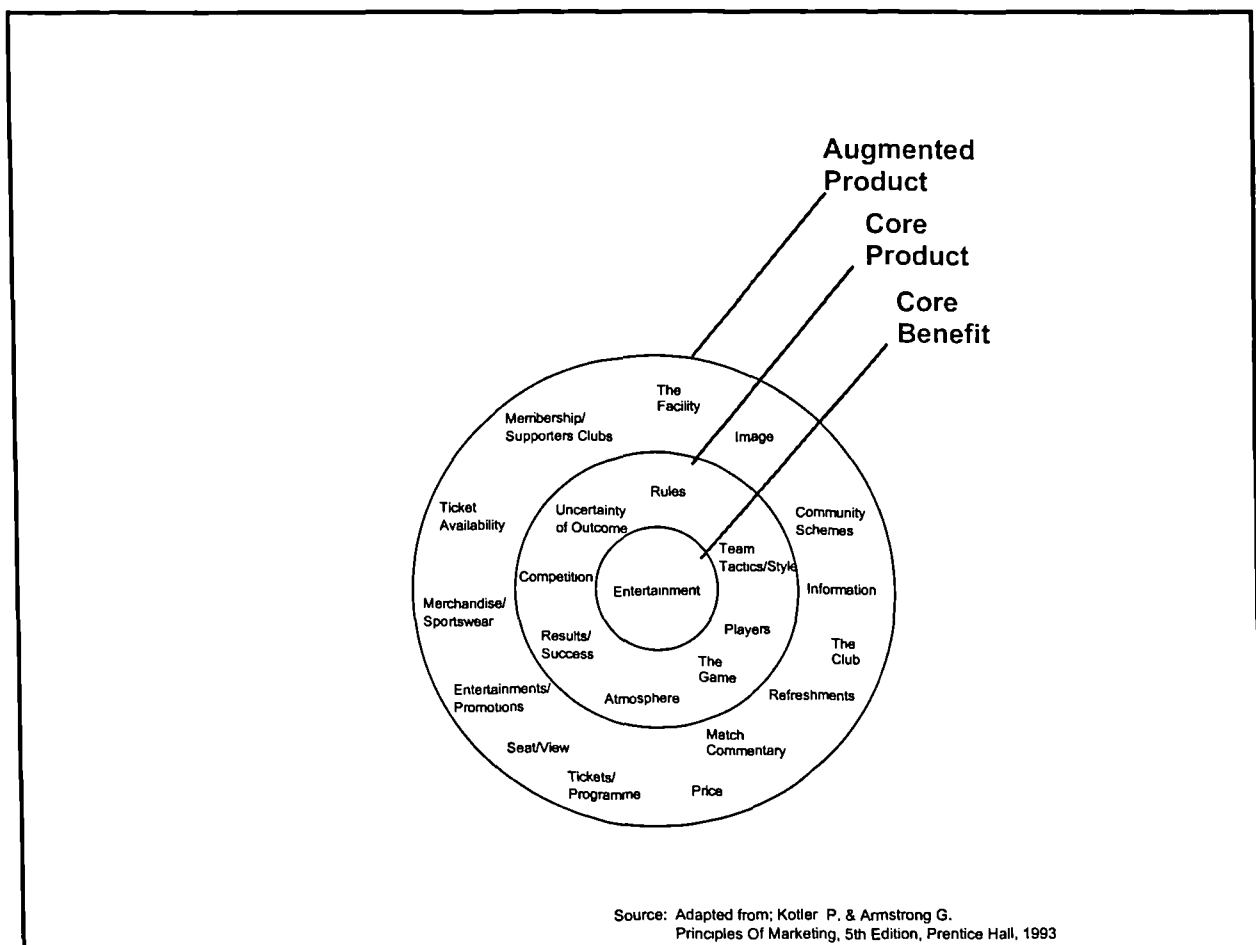


Figure 2.4 The Football Product Offering

At the most fundamental level of the product offering model is the core benefit. Kotler (1997) contends that defining the core product offering in terms of the core benefits to the customer helps marketers avoid marketing myopia, that is defining the business in terms of products and services rather than in terms of the benefits customers seek (Levitt, 1960). Both Mullin *et al.* (1993) and Shank (1999) suggest that sports organisations that have not recognised how sport and entertainment are related suffer from marketing myopia. The core benefit for spectators in professional sport's case could therefore be defined as entertainment. Whilst defining the core benefit in terms of entertainment is useful in terms of identifying direct and indirect competitors it is recognised that sports consumers will in fact seek a number of interrelated benefits from the sports product offering. A study of sports fans by Wann (1995) identified a number of underlying motives for watching sports in addition to entertainment value including self-esteem enhancement, the need for affiliation, and family ties.

The core product is what the spectator recognises as the actual offer *i.e.* the game/match itself. The game form is made up of a number of elements, many of which are intangible; rules, uncertainty of outcome, result/success, players, team tactics/style and atmosphere. The sports marketer is unlikely to have any responsibility or control over these elements as these are generally the responsibility of the league authorities and the club manager/coach and the players.

The augmented product is the totality of benefits that the person receives or experiences in consuming the core product. The augmented product offering will include a whole range of accompanying services and products; seat/view, information, entertainments and promotions, refreshments, ticket value, ticket availability, program, merchandise, club membership *etc.* The augmented offering will include anything that adds value to the final offering. The sports marketer is likely to have responsibility and control for many of these elements. The final offering therefore is a composite of several interrelated products and services. The makings of a major event extend well beyond the action on the playing field. The well packaged sports event will build its drama from the playing surface outward (Mullin *et al.* 1993).

The sports marketer traditionally has no influence over the core product *i.e.* the game form. Sutton (1991) describes this as being outside the locus of sports marketers' control. For example, the sport marketer does not pick the team, cannot predict injuries that may occur to star players, and has no control over the closeness or the standard of the game (Shilbury 1994). At club level the sports marketer traditionally has no control over the core product and its outcome and therefore is often responsible for developing ancillary product and service extensions that complement the sport spectacle and contribute more to a football consumer's overall satisfaction. The sports marketer will also be responsible for maximising the utilisation of the stadium's facilities throughout the year as well as developing marketing strategies aimed at other important stakeholders including sponsors, corporate clients, media and the local community.

Research by Smolianov and Shilbury (1996) examined sport marketing responsibilities considered by professionals to be important for sports marketing administrators in the United States. The list of the most important responsibilities, in order of importance, are shown in Table 2.4 and highlight the broad range of activities that a sports marketer may be responsible for.

**Table 2.4 Sport Marketing Administrator's Responsibilities**

1.	Establish a positive image of your sporting organisation
2.	Achieve sponsor's promotional goals
3.	Stimulate ticket sales
4.	Maximise media exposure for events, athletes, sponsors
5.	Acquire sponsors through personal contacts
6.	Maintain good relations with community, authorities, partners
7.	Acquire sponsors by formal presentations
8.	Develop special promotions
9.	Improve budget construction of your sports marketing unit
10.	Negotiate promotion contracts
11.	Evaluate sport marketing opportunities and performance
12.	Design and coordinate content of events
13.	Coordinate press coverage of events
14.	Create contracts
15.	Provide corporate hospitality at the events
16.	Build public image of and awareness of athletes
17.	Schedule events and facilities
18.	Establish event safety factors
19.	Build rapport with editors, reporters, other media reps
20.	Buy and sell media rights

A number of the identified responsibilities revolve around marketing the event to spectators and corporate clients. Acquiring and servicing sponsors is another identified responsibility as is developing and maintaining good media and community relations. Building and establishing the image of the organisation is also seen as key role for the sports marketer. Interestingly, there is no mention of either stadium utilisation activities or the development of ancillary products such as merchandise and publications, both of which are important revenue earners for leading English professional football clubs. These responsibility areas were not included in the original survey design although the authors do not explain why. Their omission may perhaps be because many of the stadia in the US are older and/or owned by the local authorities offering limited scope for revenue generation. Also merchandise operations are often centralised in the major US professional sports with many of the marketing activities carried out by the League which may explain its omission from the survey design.

### **2.4.3 Services Marketing**

The professional sports industry is just one part of the leisure sector which itself is part of the wider service sector. Marketing a professional sports club or event is in many ways similar to marketing other leisure utilities and services. In addition to event management a professional sports club's commercial activities may also involve merchandising and retailing, catering, health and fitness services, and conference and banqueting. Shilbury (1994) notes that a number of the unique characteristics of the sports product market identified by Mullin (1985) clearly link sport to the characteristics of a service as summarised by Zeithaml, Parasuraman and Berry (1985) namely; intangibility, heterogeneity, perishability and inseparability. This is supported by Shank (1999) who believes that understanding the nature of services marketing is critical for the sports marketing manager.

Intangibility can be described as the fundamental distinguishing characteristic of services. Intangibility implies that a service is experienced, it is rendered and physical ownership cannot occur. Services are performances rather than objects. What the sports consumer takes away from attending a sporting event is primarily impressions and memories (Sutton 1991). In addition to their physical intangibility, services can also be

difficult for the mind to grasp and can thus be mentally intangible. The experience therefore, in the case of professional sport, is highly subjective and is likely to vary from spectator to spectator. Marketing strategies must therefore make the offering more tangible thereby making the process of pre-and post-service evaluation easier. Tickets, match-day programs, merchandise, and the development of brands has given customers something tangible and, as a result, an opportunity to identify with a particular sports team or individual.

Heterogeneity concerns the potential variability in the performances of services. The core sport product is inconsistent and unpredictable as people are involved. There are many factors that can affect the outcome of a sporting event such as players form or fitness, team tactics, refereeing decisions or crowd atmosphere. These factors interact to guarantee that each game will be unique and the result not guaranteed. The sport marketer therefore needs to devise marketing strategies that will add value to the product and service offering that are not based solely on the team's performance (Shilbury *et al.* 1998). The sports marketer is therefore often concerned with developing products and service extensions which provide greater scope for consistency. Some clubs have developed their stadiums with a view to generating income throughout the year from non-sport activities such as hotel facilities, health and fitness centres, conference and banqueting facilities, and restaurant and catering operations.

Inseparability refers to the simultaneous production and consumption of the service. Inseparability of production and consumption means that interaction with club employees (ticketing, stewards, refreshments) is important. Customer-contact personnel thus become the key people in the organisation. A football match is publicly consumed with one's ability to enjoy the game being a function of interaction with other people. The fans themselves contribute toward the product offering in terms of providing atmosphere. The atmosphere at the game is important to overall experience and is a function of the fans interaction and participation.

Finally, services cannot be stored, are time dependent, and can therefore be described as perishable. The sport product can be sold no later than the day of the event. This has

important implications for demand management. Under-demand results in under utilisation of capacity and poor atmosphere and over-demand results in disappointed customers. Sports marketers therefore need to develop marketing mix strategies to help manage demand for their product as do other entertainment organisations such as theatres, cinemas and concert organisers.

#### **2.4.4 Context Adaptation**

In 1996 Professor Trevor Slack addressed the North American Sports Management Conference and asked the question “Is there anything unique about sport management?” Whilst the purpose of the address was primarily to provoke thought and discussion the same question could perhaps be asked about sports marketing. Sports marketers certainly need to be aware of the product market characteristics and will need to adapt their marketing strategies accordingly. However, is this any different for any marketing manager who has to adapt the generic skills of his or her profession to the context in which they work in? Many of the supposedly ‘unique’ product market characteristics of sport can be found in other industries, particularly the service and leisure and entertainment sectors. Cynics might argue that that this claim for uniqueness is driven by both practitioners and academics who perhaps have vested interests in preserving distinctiveness when perhaps it is not necessary. It could be argued that the future of sports marketing management lies in understanding similarities with other industries rather than pondering on the differences. From a marketing management point of view the key issue would therefore be context adaptation.

### **2.5 Development of Sports Marketing – Theory and Practice**

The history of sport marketing dates back to ancient Greece and Rome (Baker 1986; Shank, 1999; Mullin *et al.*, 2000). Sutton (1991) highlights the role of a number of imaginative sports entrepreneurs and promoters within US in the first half of the 20<sup>th</sup> century including Bill Veeck, Charles Finley, and Gary Davidson who Sutton contends, “have made significant contributions to the philosophies and practices that now are part of the field we call sport marketing” (p.152). Whannel (2000) suggests that much of the

impetus for the commercial transformation of sport came from these entrepreneurs who established themselves as agents and who provided the link between sports organisations, sports stars, sponsors, advertisers and television. Mullin *et al.* (1993:2) point out while entrepreneurs have been selling sport for centuries, "...the notion of a rational system of marketing sport is relatively new".

Mullin (1985) refers to an ever-increasing corporate involvement in the promotion and sponsorship of sport in the US in the 1970s and 1980s. To illustrate his point Mullin (1985) contrasts the aggressive marketing efforts of the Los Angeles Olympic Organising Committee for the 1984 Olympic Games with those of earlier less commercialised events. Shilbury (1989:21) notes that marketing of sport was particularly evident in the US by mid-1980s:

Business elements inherent in the US sporting system have led to this increased awareness and importance placed on sport marketing. As a result the major leagues have witnessed substantial increases in the role and scope of their respective marketing departments.

The commercialisation of sport in the US was not restricted to professional sports leagues. By the early 1990s college and university programmes were becoming increasingly commercialised and professionalised largely as a result of their mandate to be self supporting and the influence of television (Padilla and Baumer 1994). However, this is not to say that sports marketing was fully established as a profession within the professional sports franchises at this time. An examination of the media guides of the major professional sport-leagues in 1983 by Mullin (1985:103) identified "surprisingly few marketing positions. In many cases the incumbents are former athletes/coaches operating in predominantly public relations capacities". In 1993 Mullin *et al.* argued that marketing myopia was still a widespread affliction in many sports industry segments in the US and suggested that this was primarily due to the lack of professional marketing staff, the over emphasis on sales and promotions and the lack of market research being carried out. However by 2000 the same authors noted "...the last 10 years have seen many encouraging signs of 'professional' approaches to sport marketing" (Mullin *et al.* 2000:11).



Comparisons between the US and Australia by Shilbury (1989) suggest that sport marketing was conducted on a more comprehensive scale in the US and was supported by greater development in supporting literature and practical procedures. Shilbury argues that this had much to do with the pervading business culture within US sports, "Sport in the US has traditionally been more aligned with business and the subsequent profit motive than has hitherto been the case in Australia. As a result corporate America has played a significant role in crystalising the agenda of the sport marketer" (p.24). Shilbury's view is echoed by Irwin *et al.* (1999) who note that professional sport in the United States has always been profit seeking competing for consumers in the entertainment marketplace.

A similar comparison can be made between US and European sports. Shank (1999) contends that sport as a business has long been 'minor league' in Europe compared with the US and notes that only in the 1990s has the commercialisation of sport developed to the scale seen in the US. In particular, many of the top English professional football clubs have been adopting a more market-focused approach to their operations implementing strategies that have been commonplace in the United States' professional sports arena for some years. This involves the hiring of professional marketers, the introduction of customer research programmes, the development of ancillary products and services such as merchandise, the provision of ticket booking facilities, flexible pricing packages, all-seater stadiums, quality catering facilities, pre-match entertainment and high levels of customer service. There is also considerable emphasis on promotion, branding and public relations.

The academic study of sports management, in the US, is at least half a century old with the first texts published in the 1950s, the emphasis being very much on the management of physical education and athletics programmes (Slack 1996). The field of sport management has grown rapidly in the last twenty years with the number of colleges and universities offering sport management programs rising from 83 in 1985 to 200 in 1993 (Parkhouse, 1996, cited in Slack 1998).

Sports marketing as a sub-discipline is relatively new with the first comprehensive text published by Mullin *et al.* in 1993. The dearth of sports marketing literature led Mullin *et al.* (1993:22) to observe that,

Almost no theory has been published on sport marketing, and of the small number of successful experiences that have been documented in professional journals, few detail any fundamental concept or principles behind the successful application.

The 1990s has seen the publication of several sports marketing texts (Brooks, 1994; Schlossberg, 1996; Shilbury *et al.*, 1998; Shank, 1999) as well as the launch of a several specialist journals such as *Sport Marketing Quarterly*, the *Journal of Sport Management* and the *International Journal of Sports Marketing and Sponsorship*.

### **2.5.1 The Research Gap**

A review of publications in the *Journal of Sport Management* by Slack (1996) reveals that the large majority of articles with an empirical focus are concerned with organisations involved in the delivery of physical education or athletic programs. A similar conclusion is made by Irwin *et al.* (1999) who note that the majority of empirical analysis within the sport management literature is concerned with non-profit organisations or sport clubs. Slack (1996) calls for the development of a body of knowledge on the structure and operations of other organisations that constitute the sports industry, including professional sports organisations.

Olafson (1995) highlights the need for the research programs that focus on specific aspects of the management of sport. Irwin *et al.* (1999) point out that the majority of empirical research within the sport management literature focuses exclusively on the organisation as a whole rather than specific subunits. Slack (1998) also highlights the notable absence of empirical studies in the sub-disciplinary areas of sport management including marketing:

There is very little, in some cases no, research on sport organizations (if this is what we say we study) in many of the sub-disciplinary areas that are usually seen as constituting the field of management (p.27).

Several authors have highlighted the over-reliance on quantitative methods within sport management research at the expense of alternative, and often complimentary, qualitative methods (Olafson 1990; 1995; Inglis, 1992; Slack, 1996; 1998). Slack (1996:103), for example, suggests that the disproportionate use of survey research using questionnaires which "...limits our ability to fully comprehend the reality of sport organizations and their management". This over-reliance on quantitative surveys is certainly evident in the area of sports marketing research. Table 2.5 shows that postal questionnaire surveys were used in all seven of the published empirical studies that have focused on the marketing activities of sports organisations.

**Table 2.5 Sports Marketing Practice – Research**

Author/Research	Industry	Research Focus	Methodology
Branvold and Bowers (1992)	US college baseball	Use of promotions to increase attendance	Postal questionnaire
Hansen and Gauthier (1992)	US professional and university sports organisations	Marketing objectives	Postal questionnaire
Mawson and Coan (1994)	US NBA franchises	Use of marketing techniques to increase attendance	Postal questionnaire
Steven et al (1995)	US colleges and universities	Marketing activities to increase attendance	Postal questionnaire
Evans et al (1996)	UK sports associations	Marketing activities	Postal questionnaire
Derrick (1997)	US minor league baseball	Marketing orientation	Postal questionnaire
Irwin et al (1999)	US professional sports franchises	Organisational excellence	Postal questionnaire

The table also highlights the dearth of research on sports marketing within professional sports organisations. Indeed, Irwin *et al.* (1999) express their astonishment at the relatively limited body of sports marketing research and note that the research that has been carried out has predominantly focused on the one-dimensional identification of marketing strategies and tactics. They go on to point out that:

A multidimensional approach, encompassing manifold factors and overriding beliefs and principles, which build the general foundation and guidance for all the ongoing action within a franchise or more importantly, its subunits, has yet to be accomplished (p.315).

Whilst there have not been any studies to date that have considered marketing operations from a truly holistic perspective the studies highlighted in Table 2.5 provide some useful insights to sports marketing practices. A study of US university and professional sports organisation's by Hansen and Gauthier (1992) identified a number of important marketing objectives that could be considered to be the responsibility of the sports marketer including promoting the community image of the team or franchise, targeting sponsors and spectators, and increasing special event occasions. A survey by Stevens *et al.* (1995) found that sport marketing was becoming increasingly important at collegiate level with many colleges employing full-time marketing personnel and allocating relatively large sport marketing budgets aimed at attracting spectators. Similarly, an earlier study by Bravold and Bowers (1992) found that college baseball programs were beginning to be more aggressive and sophisticated in their sales promotional endeavours to boost attendance.

A survey of NBA marketing directors by Mawson and Coan (1994) revealed that a variety of techniques are perceived to be effective for attracting attendance at professional basketball games. These include advertising and promotions, PR, ticket packages and pricing initiatives. Market research and strategic planning were seen as important factors to facilitate such techniques. In contrast, a survey of minor league baseball general managers by Derrick (1997) found that minor league operations seem to be minimally oriented to marketing with very little emphasis placed on implementing basic marketing principles and practices.

Interestingly only one of the studies identified in Table 2.5 is UK based. Evans *et al.* (1996) note that whilst some academic work has been undertaken in the UK in the area of marketing through sport, there has been very little research into the use of marketing by sports organisations. Evans *et al.*'s (1996) study of marketing within UK sport associations found that while the most popular sports appear to embrace marketing the majority of sport associations possess only a limited understanding of marketing and have yet to fully acknowledge its usefulness and importance.

In summary, a review of the sports management literature reveals that very few empirical studies have been carried out into the marketing operations of sports organisations. The majority of research is US based, quantitative in nature, and focuses on specific sub-activities within the span of marketing tasks. To date there has been no academic research in the area of professional sports which has considered sports marketing from an integrated or holistic perspective.

## **2.6 Summary**

Whilst there is no consensus definition of marketing it is generally accepted that the core proposition of marketing is concerned with the identification, creation and maintenance of mutually satisfying exchange relationships. In order to understand marketing it is essential to distinguish between marketing as a business philosophy and marketing as a business function. It is now widely accepted by both academics and practitioners that the marketing concept or philosophy can be applied to any organisation, provided it is recognised that varying organisations have different objectives. As well as viewing marketing as a business philosophy marketing should also be viewed as a specific management function or process involving a range of techniques and activities. Marketing can operate at the corporate, business and functional level of the organisation. At each of these levels of the organisation three distinct dimensions of marketing can be identified: marketing as a culture, marketing as a strategy and marketing as tactics.

Marketing, in its generic sense of voluntary-exchange relationships, goes far back into history though many differences distinguish present from past marketing. The marketing management school have widely adopted the three eras or periodisation model to explain the development of marketing practice in the 20<sup>th</sup> century although historical analysis suggests that the development of modern marketing in the United States and Britain has been much more protracted and complicated than that. There is clear evidence of modern marketing practices being used by companies from 1870 onwards, however there is a strong body of literature that suggests that it was not until the 1950s that marketing began to be accepted as a necessary business philosophy. It is

generally believed that the adoption of marketing was led by consumer-packaged-goods companies, followed by consumer durable companies, and industrial goods companies. Marketing was adopted more slowly by the service industries with not-for-profit organisations only moving towards marketing from the mid 1980s onwards. A number of empirical studies carried out in the 1980s and 1990s suggest that the extent to which marketing principles and practices have been adopted by firms is variable both between and within industries.

There is general agreement in the literature that the unique aspects of the sport product and the unusual market conditions have required marketing personnel to adopt different strategies from those accepted as traditional marketing theory. Despite this apparent theoretical industry 'uniqueness' no previous empirical studies have been carried out into the overall marketing principles and practices of professional sports organisations in the UK or the US. Much of the sports management literature had been restricted to studies of physical education or athletic programmes, with limited focus on professional sports organisations. A review of the literature has also highlighted the academic neglect of a number of sub-disciplinary areas, including marketing. Whilst there have been several relevant studies that have looked at specific marketing activities of sports organisations the majority of research is US based, quantitative in nature, and focuses on specific sub-activities within the span of marketing tasks. As yet, there has been no academic research in the area of professional sports which has considered all the marketing elements involved in an integrated way.

## **CHAPTER 3**

### **MARKET ORIENTATION**

## **CHAPTER 3: MARKET ORIENTATION**

### **3.1 Introduction**

This chapter considers the implementation of the marketing concept within the context of market orientation. Firstly, market orientation is defined and the key elements of the construct are discussed from both a behavioural and a cultural perspective. The chapter then reviews the research examining the relationship between market orientation and organisational performance and provides a critical evaluation of the market orientation measurement instruments presented in the literature.

Whilst there has been no shortage of research on the construct and performance consequences of market orientation in the last decade, there has been relatively little work on the possible barriers or enablers to a MO. The chapter therefore provides a review of the literature that identifies, explicitly and implicitly, the key antecedents that would enable a company to become market oriented. Whilst some of the earlier studies focus on individual barriers to a market orientation there is a growing body of literature that suggests a more holistic perspective needs to be taken. The McKinsey 7-S model is presented as an appropriate framework to help synthesise the literature and identify the key factors that encourage or inhibit the adoption of a market orientation.

### **3.2 The Market Orientation Construct**

Whilst an understanding of the marketing concept is useful from a philosophical point of view there is also a need to consider how an organisation might implement the marketing concept. It is generally accepted in the literature that a market-oriented organisation is one which has adopted the marketing concept, that is market orientation (MO) is the implementation of the marketing concept (McCarthy and Perreault, 1987;



McCarthy, 1988; Kohli and Jaworski, 1990; Deng and Dart, 1994; Narver *et al.*, 1998; Ngai and Ellis, 1998).

Until the 1990s the need to adopt the marketing concept was taken as an article of faith with little empirical support for its adoption in the literature. Indeed, very little work had been done on the operationalisation or implementation of the concept and as a result no valid measure of MO had been developed and its influence on business performance had not been assessed (Kohli and Jaworski, 1990; Narver and Slater, 1990; Ruekert, 1992; Pulendran, 2000). As Kohli and Jaworski (1990:1) observed, "...a close examination of the literature reveals a lack of clear definition, little careful attention to measurement issues, and virtually no empirically based theory". Reukert (1992:227) agrees, describing the literature on the marketing concept pre 1990 as being primarily philosophical, normative and prescriptive.

In 1990 two seminal papers (Kohli and Jaworski, 1990; Narver and Slater, 1990) attempted to operationalise the marketing concept. As a result of these two papers the 1990s has seen a spate of market orientation studies in terms of their operational construct, consequences and antecedents with much of the literature based on the original work of these two sets of authors (Narver *et al.*, 1998; Ngai and Ellis, 1988).

Firstly, drawing from the marketing literature and field interviews with managers, Kohli and Jaworski (1990:6) define MO as, "...the organisationwide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organisation responsiveness to it". In defining MO this way they argue that focusing on specific activities rather than philosophical notions allows for operationalisation of the marketing concept. Additionally, Kohli and Jaworski (1990) identified three categories of antecedents to a market orientation: senior management factors, interdepartmental dynamics, and organisational systems. Their work led to the development of MARKOR, a 20 item measurement instrument, that could be used to measure the level of market orientation within a strategic business unit (Kohli *et al.*, 1993).

In the same year Narver and Slater (1990) developed their own market orientation construct which bore closer resemblance to the marketing concept framework. After a review of the literature on marketing and sustainable competitive advantage (SCA), Narver and Slater (1990:21) define MO as, "...the organisational culture that most effectively and efficiently creates the necessary behaviours for the superior value for buyers and, thus, continuous superior performance for the business". They suggest that MO consists of three behavioural components - customer orientation, competitor orientation, and inter-functional coordination – and two decision criteria – long term focus and profitability. They further infer from the literature that the three behavioural components are of equal importance. Narver and Slater propose MKTOR, a 21 item measurement instrument to measure market orientation.

There has been much debate on these definitions of MO and it is fair to argue that there are both similarities and differences in both these conceptualisations (Reukert, 1992; Diamantopoulos and Hart, 1993; Slater and Narver, 1994; Cadogan and Diamantopoulos, 1995; Jaworski and Kohli, 1996; Morgan *et al.*, 1998). Each of Narver and Slater's three behavioural components (customer orientation, competitor orientation, and interfunctional coordination) involve intelligence generation and dissemination and managerial action (Diamantopoulos and Hart, 1993; Slater and Narver, 1994). Both MO conceptualisations consider the scope of MO to go beyond customers with Narver and Slater incorporating competitor focus and Kohli and Jaworski considering forces shaping customer needs (Morgan *et al.*, 1988).

While the similarities are considerable there are differences with both conceptualisations. Firstly, Kohli and Jaworski's responsiveness to market intelligence component is not directly represented in Narver and Slater's framework (Diamantopoulos and Hart, 1993). Secondly, Kohli and Jaworski clearly identify market orientation as a set of ongoing behaviours and activities in an organisation and whilst Narver and Slater's primary focus is also on behaviours, they also regard market orientation as a significant part of organisational culture although surprisingly they do not take account of this in their measurement instrument.

Despite the pioneering work of Kohli and Jaworski and Narver and Slater there is still no general agreement on what the elements of market orientation should be. Indeed, a review of the market orientation literature by Parkinson and Chambers (1997:2) led them to conclude that, "...the literature on what constitutes a marketing orientation is extremely confusing". Much of the debate surrounding the elements of the MO construct in the 1990s has primarily revolved around the behavioural perspective versus the cultural perspective (Dreher, 1994; Jaworski and Kohli, 1996; Graves and Matsuno, 1995; Hurley and Hult, 1998; Vazquez *et al.*, 2001). From the cultural perspective market orientation is seen to be an aspect of organisational culture in terms of shared values and beliefs (Webster, 1988; Hooley *et al.*, 1990; Narver and Slater, 1990; Deshpande and Webster, 1989; Deshpande *et al.*, 1993; Dreher, 1994; Narver *et al.*, 1998). From the behavioural perspective market orientation is seen as a set of information-based activities and related behaviours (Kohli and Jaworski, 1990; Narver and Slater, 1990; Day, 1994; Deng and Dart, 1994; Morgan and Strong 1998). Recent research suggests that in terms of measurement accuracy the behavioural perspective may have some merit (Graves and Matsuno, 1995; Hurley and Hult, 1988). Despite this there is strong support in the literature that both perspectives are valuable and neither should be ignored (Graves and Matsuno, 1995; Hurley and Hult, 1998; Zatezalo and Gray, 1999; Vazquez *et al.*, 2001). Bisp *et al.* (1996) and Zatezalo and Gray (1999) note that there is likely to be a strong relationship between the two given that beliefs and attitudes usually often precede behaviour. Hurley and Hult (1998:43) argue that market orientation, "...can manifest at various levels in an organisation (i.e., the firm's strategy, processes, structure, behaviours and culture)". Graves and Matsuno (1995), noting that each perspective has its merits and shortcomings, argue that a social system perspective should be taken, whereby both behaviours and values should be assessed when measuring market orientation although they do not go on to develop a measurement instrument. This social systems perspective is consistent with the marketing effectiveness, marketing excellence and marketing audit literature all of which suggest a need to measure behaviour as well as attitudes, beliefs and values within the organisation. This system perspective of MO is therefore adopted by the author as it is comprehensive and inclusive rather than eclectic and exclusive.

### 3.3 Market Orientation and Performance

The pioneering work of Kohli and Jaworski (1990) and Narver and Slater (1990) provided an impetus for subsequent research examining the relationship between MO and performance (Narver and Slater, 1990; Reukert, 1992; Deshpande *et al.*, 1993; Jaworski and Kohli, 1993; Diamantopoulos and Hart, 1993; Deng and Dart, 1994; Au and Tse, 1995; Greenley, 1995; Pelham and Wilson, 1996; Pitt *et al.*, 1996; Gray *et al.*, 1998; Ngai and Ellis, 1998). Surveys of the MO performance literature by Ngai and Ellis (1998) and Dawes (1999) show that the majority of the studies show a positive link between MO and performance although several of the studies conducted outside the US (Diamantopoulos and Hart, 1993; Au and Tse, 1995; Greenley, 1995; Pitt *et al.*, 1996) show little or no link between MO and performance. Interestingly, a study of US, UK and Japanese firms operating in the UK by Wong and Saunders (1993) found that marketing oriented firms out performed those that were not, however the highest performance of all was achieved by companies which struck a balance between a marketing and product orientation. It should be noted, however, that Wong and Saunders (1993) developed their own measurement construct to determine business orientations.

Whilst the MO performance link is obviously an important development in the marketing literature the results need to be viewed with some caution as there are problems in making generalisations from these research findings due to the diversity of methodologies, measurement instruments, sample frames, and indicators of performance used (Deshpande and Farley, 1998; Gray, 1998; Vazquez *et al.*, 2001). Firstly, a variety of measurement instruments have been used across the studies, including Narver and Slater's (1990) MKTOR instrument, Kohli *et al.*'s (1993) MARKOR instrument as well as other measures (Reukert, 1992; Deshpande *et al.*, 1993; Wong and Saunders, 1993; Deng and Dart, 1994; Au and Tse, 1995; Gray *et al.*, 1998). Secondly, a variety of performance indicators have been used across the studies, the majority of which are subjective. Thirdly, the unit of organisational analysis selected varies from study to study.

There is some debate in the literature on whether the MO-performance link is affected by the industry environment and therefore whether MO is a necessary orientation for all organisations. It has been argued that, in certain industry situations, a firm may not need to be customer focused in order to achieve their objectives (Kohli and Jaworski, 1990; Sharp, 1991; Deng and Dart, 1994; Doyle and Wong, 1998). Firms operating in a monopoly situation with limited regulation would be an obvious example. Kohli and Jaworski (1990:15) suggest that under certain conditions such as those of limited competition, and booming economies, market orientation may not be critical, "...managers of businesses operating under these conditions should pay close attention to the cost-benefit ratio of a market orientation". Doyle and Wong (1998) note that companies can be seen who are clearly not customer-oriented but are able to achieve high levels of sales and profit because of favourable industry conditions. However Slater and Narver (1994:54), in echoing the views of Day (1990), suggest that, "...in the long run all markets will eventually encounter slow growth, high hostility, and changing customer preferences, all of which are conditions that would require a high magnitude of market orientation". They point out that adjusting the businesses magnitude of MO is a complex, time consuming and expensive operation and that it would be dangerous to wait to invest in MO until the industry has grown hostile.

### **3.4 Market Orientation Measurement Problems**

The use of several different measurement scales to measure the market orientation construct presents an obvious problem over scale selection (Oczkowski and Farrell 1998). Farrell and Oczkowski (1997:32) argue that while the market orientation measures have been widely accepted by researchers, there has been very little critical enquiry into the scales, "Despite the stream of research in the market orientation literature, it can be argued that the respective measures have been accepted in blind faith by the majority of researchers". There is, however, a growing body of literature that questions the MO measurement scales from both a theoretical and statistical viewpoint. Kohli *et al.* (1993), Dreher (1994), and Gauzente (1999) all criticise Narver and Slater's MKTOR scale on theoretical grounds while Siguaw and Diamantopoulos (1994) suggest that the overall fit of the MKTOR model is not good and question the veracity of the scale. Similarly Gabel (1995) and Oczkowski and Farrell (1998) question Kohli

*et al.*'s (1993) MARKOR scale on theoretical grounds while, from a statistical viewpoint, MARKOR's reliability has been questioned by Pelham and Wilson (1996) and the authors themselves (Kohli *et al.* 1993) who could only find moderate support for the validity of their construct. Caruana (1999) also questions the generalisability of the MARKOR scale to other cultures, industry sectors and economies. Research and analysis by Farrell and Oczkowski (1997) suggests that both the MKTOR and MARKOR measures are problematic whilst Gray *et al.* (1998) criticise the MO measures for being academically, rather than managerially useful and call for a more parsimonious and generalisable scale.

In summary, the MO research in the 1990s, outlined above, has provided value in: (1) operationalising the marketing concept, (2) identifying critical behavioural and cultural elements of the MO construct, and (3) linking MO to performance. However, there is a growing body of literature that questions the validity and reliability of the measurement instruments used in the research which negates, or at least limits, their use in future research studies.

### **3.5 Gaps in the Market Orientation Literature**

A review of the MO literature highlights two important gaps in the research to date. Firstly, the majority of MO studies have been quantitative in nature. Secondly, relatively little consideration has been given to the identification of key antecedents that would enable a company to become market oriented.

In almost all of the MO studies to date, the marketing orientation of companies has been examined via postal questionnaires using single respondents (Parkinson and Chambers, 1997). The limitations of this method of data collection, within the context of measuring a firm's market orientation, have been highlighted by several authors. In particular, the reliability and validity of the data collected using this method has been questioned for two reasons. Firstly, the data collected may be subject to the self-inflicted biases of the respondent (Schwenk, 1985; Ruekert, 1992; Deng and Dart, 1994; Greenley, 1995; Wensley, 1995). As Wensley (1995:63) notes, "...single informant surveys are of

limited value particularly those of marketing executives who are hardly likely to ascribe problems to themselves". Secondly, the reliability and validity of the data may suffer from the respondent's lack of knowledge/information on the firm's marketing operations (Reukert, 1992). Whittington and Whipp (1992) also question the use of single respondent surveys to measure such as subtle process of a firm's marketing approach. This view is endorsed by Parkinson and Chambers (1997:111) who state that, "It is our view that in-depth personal interviews with a range of senior managers would be a sounder approach". Jaworski and Kohli (1996) observe that the work on MO predominantly focuses on the extent to which an organisation engages in certain processes and suggest that it would be useful to complement this perspective with that of the quality of the processes i.e. are they being executed well or poorly. Balabanis *et al.* (1997:600) concur observing that:

Current research on marketing orientation is confined to the extent (magnitude) to which an organisation is involved in certain (qualifying) activities without examining their quality. It seems that the marketing orientation concept can be enhanced by incorporating some qualitative dimensions.

Both Hunt (1994) and Wensley (1995) have widened the scope of this criticism of quantitative surveys by highlighting and questioning the over reliance of quantitative methods in all areas of academic research in marketing. Hunt (1994) contends that using qualitative methods could usefully complement quantitative analysis but notes that qualitative works in marketing are few and far between. As a result, Hunt calls for a 'rethink' in academic research in marketing with greater application of qualitative methods.

Whilst there has been no shortage of research on the construct and performance consequences of market orientation in the last decade, there has been relatively little work on the possible barriers or enablers to a MO. Whilst an understanding of the MO construct is undoubtedly useful, what is also needed, from both an academic and a practitioner point of view, is an understanding of how to achieve MO within an organisation. As Narver and Slater (1990:34) point out, "Managers need to know the factors that limit or enhance the development of market orientation, as well as the

factors that affect its optimal level, if they are to develop effective and efficient strategies to increase their market orientation”.

Despite its apparent importance a number of authors have highlighted the dearth of literature on what makes a market oriented organisation (Payne, 1988; Narver and Slater, 1990; Whittington and Whipp, 1992; Jaworski and Kohli, 1993; Day, 1994; Spillard *et al.*, 1994; Harris, 1996; Jaworski and Kohli, 1996; Narver *et al.*, 1998). Day (1994:37) suggests that, “Little is known about the characteristics of successful programs for building market orientation” and goes on to point out that there, “...remains a pressing need for researchers to examine the attributes of change programs that have been and could be effective in enhancing a market orientation” (Day, 1994:50). Similarly, Whittington and Whipp (1992) lament the lack of marketing research in the area and in particular the lack of case studies of the practicalities of organisational change. Harris (1996a) is in agreement pointing out that the market orientation-performance literature shows the results but does not show how to enhance orientation and notes that despite a number of calls for more research in the area very little has been done. Indeed, eight years on from their previous call for research, Narver *et al.* (1998:242) make the following observation:

Given the substantial empirical evidence suggesting a positive relationship between market orientation and performance, the logical next question is how a business can best create and increase a market orientation. To the present, there has been little scholarly research on this essential question.

### **3.6 Key Barriers/Enablers to Market Orientation**

The first part of this section reviews the development of the literature that explicitly focuses on factors that hinder or encourage a market orientation. It also considers the marketing audit literature which provides further valuable insights into this area of study. The second part of this section aims to synthesise the literature using an appropriate framework in order to consider the key factors in greater depth. This framework will then provide the basis for the research instrument used in the primary research stage of this study.



Research by marketers on the barriers to market orientation can be roughly categorised into two periods: sporadic and holistic research (Harris, 1996a). The first period, from the late 1950s to the early 1990s, can be characterised by sporadic attempts to identify one or two individual barriers to market orientation. The second period of research, from the late 1980s onwards, coincided with the increased academic focus on the market orientation construct and is characterised by more holistic studies of elements that might hinder or enhance the adoption of a market orientation.

Two of the earliest papers that attempted to identify impediments to adopting a market orientation were written by management consultants, perhaps highlighting the perceived gap between theory and practice at the time. Felton (1959) argued that the greatest barrier to market orientation was irrational employee decision making which resulted from a lack of management skills and experience coupled with irrational status-seeking behaviour. In contrast, Lear (1963) highlighted the structural barriers to market orientation arguing that a market orientation can create major complications in terms of organisational structure. The importance of structure in creating a market orientation is supported by the research findings of Spillard *et al.* (1994) and Pelham and Wilson (1996). Interestingly, both Felton (1959) and Lear (1963) also emphasise the importance of leadership and possessing the proper corporate state of mind in order to become market orientated. Messikomer (1987) carried out a one-company case study of the relationship between marketing and corporate culture and found that the development of a market orientation was contingent on the ability of the organisation to overcome cultural barriers. This is supported by Narver and Slater (1990:21) who argue that it is the organisational culture, "...that most effectively and efficiently creates the necessary behaviours for the creation of superior value for buyers".

A study of British CEOs by Doyle (1987) found that the background and expertise of top management was a barrier to market orientation suggesting that many firms were not marketing oriented due to the dominance of financially orientated board members. This research supports King's (1985) assertion that firms have suffered from what he calls "Accountants Marketing". On a similar note research by Changanti & Sambharya (1987) found that the background, commitment, and abilities of top management was a

key determinant of an organisation's orientation. Gummesson (1991) suggests that it is not only top management that might inhibit an organisation's drive for market orientation and stresses the important role that all the organisation's employees have in achieving such an orientation. Based on his own research projects over a 15-year period, Gummesson highlights the importance of "part-time-marketers" who are employees that may influence the product/service offering and customer experience but do not belong to the marketing or sales department.

There have been several studies that have highlighted the importance of systems and procedures in developing a market orientation. Research by Morgan & Piercy (1991) found that under-developed and poorly developed systems acted as an impediment to the development of marketing in professional services. This is supported by Reukert (1992) who found that the extent to which a firm is market orientated is positively associated with organisational recruitment, training and reward systems for personnel. These findings led Ruekert (1992) to conclude that the long term shift toward a market orientation requires a shift in organisational systems and processes. Similarly Harris and Piercy (1997) stress the importance of information and planning systems as well as recruitment and reward systems in creating a market orientation.

Whilst each of the studies outlined above have tended to focus on one or two factors that might hinder or enhance the adoption of a market orientation there has been a growing body of literature that suggests that a more holistic perspective needs to be taken. Using McKinsey's 7-S model, Payne (1988) argues that all seven attributes (strategy, structure, systems, style, staff, skills, and shared values) can be important in the transition to an effective market orientation. Subhash *et al.* (1987) also extol the value of the 7-S model arguing that, collectively, the seven factors determine the firm's competitive advantage within its industry and its ability to meet the needs of its customers. Wilson and Fook (1990) concur arguing that the 7-S framework shows what is required in an effective, marketing oriented enterprise. Using the 7-S framework, Wong and Saunders (1993) investigated organisational traits of firms and their influence on business orientation finding significant differences between groups of firms. Both Doyle (1994) and Jobber (1995) present very similar multi-dimensional frameworks to

highlight what they believe is required to achieve a market-driven (Jobber 1995) or customer orientated (Doyle 1994) organisation. Canning (1988), Webster (1988) and Piercy (1991) also suggest a similar range of organisational issues that need to be addressed in order for an organisation to move towards a market orientation. As Piercy (1991:26) observes, "Being 'market-led' may require substantial and painful upheaval in the way our organisations are structured, the way decisions are made, the key values we communicate to employees and managers, how we all do our jobs, and how we look at the outside world".

The pioneering authors of the MO construct literature (Kohli and Jaworski, 1990; Narver and Slater, 1990) have also made valuable contributions to the literature concerning barriers to market orientation. Based on a review of the management and marketing literature and interviews with managers Kohli & Jaworski (1990) propose three categories of antecedents that can foster or discourage a market orientation: senior management factors, interdepartmental dynamics, and organisational structure and systems. Senior management factors refer to the importance of top management support in building a market-oriented enterprise, making credible resource allocations, and encouraging informed risk taking. Interdepartmental dynamics refers to the formal and informal interactions and relationships among an organisation's departments with interdepartmental conflict and connectedness seen as key factors. The third category of antecedents relates to the structural characteristics of the organisation and the measurement and reward systems in place. Kohli and Jawoski (1990:6) contend that these three categories of antecedents or organisational factors will, "...enhance or impede the implementation of the business philosophy represented by the marketing concept". Jaworski & Kohli (1993) developed and empirically tested the proposed antecedents and found that top management communication, reward systems, interdepartmental conflict and interdepartmental connectedness had a strong influence on market orientation whilst top management risk aversion and the degree of formalisation and centralisation were less influential determinants of a market orientation. The authors however concede that their framework is perhaps not all-encompassing by saying that:

...it seems desirable to assess the role of additional factors in influencing the market orientation of an organisation...Future research is needed to assess the characteristics of rules that facilitate or hinder a market orientation. (Jaworski and Kohli, 1993:65).

Indeed, while Harris (1996) accepts that Jaworski and Kohli's (1993) research is of major theoretical and practical use, he questions the inclusiveness of their antecedents model. Meldrum (1997) takes the same viewpoint and proposes an extended model of antecedent organisational factors to include organisational culture and marketing knowledge and skills, in addition to Kohli & Jaworski's (1993) original three categories. A multi-dimensional perspective on market orientation barriers or enablers is supported by recent qualitative studies by Harris (1996) and Siu and Wilson (1998). In a qualitative study of a medium-sized British retailer Harris (1996) revealed a number of inter-linked inhibitors to orientation. Similarly case study research in three FE colleges by Siu and Wilson (1998) found that a number of factors affect the implementation and development of market orientation.

Building on their earlier MO work (Narver and Slater, 1990; Slater and Narver, 1994), Narver *et al.* (1998) argue that learning is the key to creating a market orientation. In defining market orientation as both a culture and a set of processes and activities the authors stress the importance of leadership in developing a market orientation. Narver *et al.* (1998) propose that creating a market orientation involves achieving two objectives: firstly, to gain organisational commitment to the core value, and secondly, to develop the required resources, incentives, skills and continuous learning to implement the core value. The authors propose two related approaches to achieve this objective. The first approach, labelled the "programmatic approach", consists of, "teaching individuals the nature and importance of a market orientation and the basic processes, approaches, and skills of creating superior value for customers" (Narver *et al.*, 1998:246). The second approach, labelled the "market-back approach", consists of the business, "adapting its processes, procedures, and structures based on its continuous learning from its actual customer-value-creation performance" (Narver *et al.*, 1998:248). The authors contend that while the abstract learning of the programmatic approach is important, particularly for businesses with a low market orientation, it is insufficient by itself and needs to

complemented by the market-back approach of experiential learning, thus providing an essential 'feedback loop' to enhance the continual learning process.

A research study by Cranfield School of Management (Cranfield, 1994), on behalf of the Chartered Institute of Marketing, also provides valuable insights into the holistic range of factors that can enhance a market orientation. One of the aims of the study was to "...highlight the conditions necessary for organisations to carry best marketing practices into the future" (Cranfield, 1994:68). The research involved interviews with leading marketing academics and consultants coupled with fifteen case studies of companies selected on the basis of their marketing competence and maturity. The study proposes a range of steps that need to be taken at the philosophical, strategic and operational level of an organisation for a company to become truly market orientated. Changes at the philosophical level focus on creating a market-led and customer driven culture and requires: leadership, restructuring, management mobility, and incentivisation. At the strategic level the focus is on building a business strategy around the needs of the customer and requires: cross functional team building, relationship building, and a future driven approach. At the operational level the focus is on implementation and requires: market and performance assessment, accountability, and professionalism. Cranfield's (1994) findings are consistent with Day's (1994:50) assertion that market-driven behaviours, "are more likely when (1) there is a committed and involved top management team, (2) the culture is supportive, (3) objectives and rewards are aligned with external market performance, and (4) the locus of decision making is as close to the customer as possible".

Harris (1996b:37) observes that, "As with any academic discipline, marketing theory has a tendency to define narrowly concepts which practitioners would often see as merely synonymous". With this in mind it is useful to consider other relevant and complementary literature. The marketing audit literature provides valuable insights into the area of study and endorses the need for a holistic perspective on the organisational aspects of marketing. The marketing audit is typically viewed as an instrument to judge an organisation's overall commitment to a marketing orientation (Kotler *et al.*, 1977; Wilson, 1992; Brownlie, 1993). The components of a marketing audit have been

comprehensively identified by Kotler *et al.* (1977), Naylor and Wood (1978), Wilson (1982), and McDonald (1984). For example, Kotler *et al.* (1977) suggest that in addition to auditing the marketing environment, the marketing audit should consider five major organisational components; marketing strategy, marketing organisation/structure, marketing systems, marketing productivity, and marketing mix functions. A retrospective commentary by the authors (Kotler *et al.*, 1989) proposes that the marketing audit be expanded to include an appraisal of organisationwide attitudes toward customer participation and responsibility. Naylor and Wood (1978) propose seven categories in their audit framework while Wilson (1982) identifies 24 distinct audit components. Berry *et al.* (1991) argue that the marketing audit literature does not adequately reflect the development of the services marketing field in recent years and propose a six component services excellence audit that includes: service quality, internal employee marketing, marketing organisation, marketing orientation, new customer marketing, and existing customer marketing.

Brownlie (1993:7) suggests that while there is no universal set of marketing audit benchmarks that can apply to every organisation and circumstance it is reasonable to say that, "...a broad set of parameters can be seen to govern the wide canvas of marketing practice". Brownlie goes on to point out that these broad parameters provide guidelines of good marketing practice and should be informed by the findings of empirical studies relating marketing practice to performance. Baker *et al.* (1986), Brooksbank (1990), and Doyle and Wong (1998) provide selective reviews of the marketing practice literature in an attempt to identify the common denominators of successful marketing practice and its contribution to business performance. Although different literature and terminology is used all three studies propose a holistic and integrative set of factors. Indeed the majority of research studies examining the state of marketing practice have taken a holistic approach in survey instrument design to include all or many of the following areas of marketing: structure, strategy, systems, staffing, skills, leadership, and shared values (Hooley *et al.*, 1984; Hooley *et al.*, 1990; Morgan, 1990a; Morgan, 1990b; Morgan and Morgan, 1991; Brooksbank, 1992; Greenley and Shipley, 1992; Thwaites and Lynch, 1992; Wong and Saunders, 1993; Coopers and Lybrand, 1994; Cranfield, 1994; Greenley, 1995; Lui 1995; Parkinson *et al.*, 1995;

Shaw and Alderson, 1995; Yisa *et al.*, 1995; Rafiq and Pallet, 1996; Dibb and Simkin, 1997; Parkinson, 1997; Doyle and Wong, 1998).

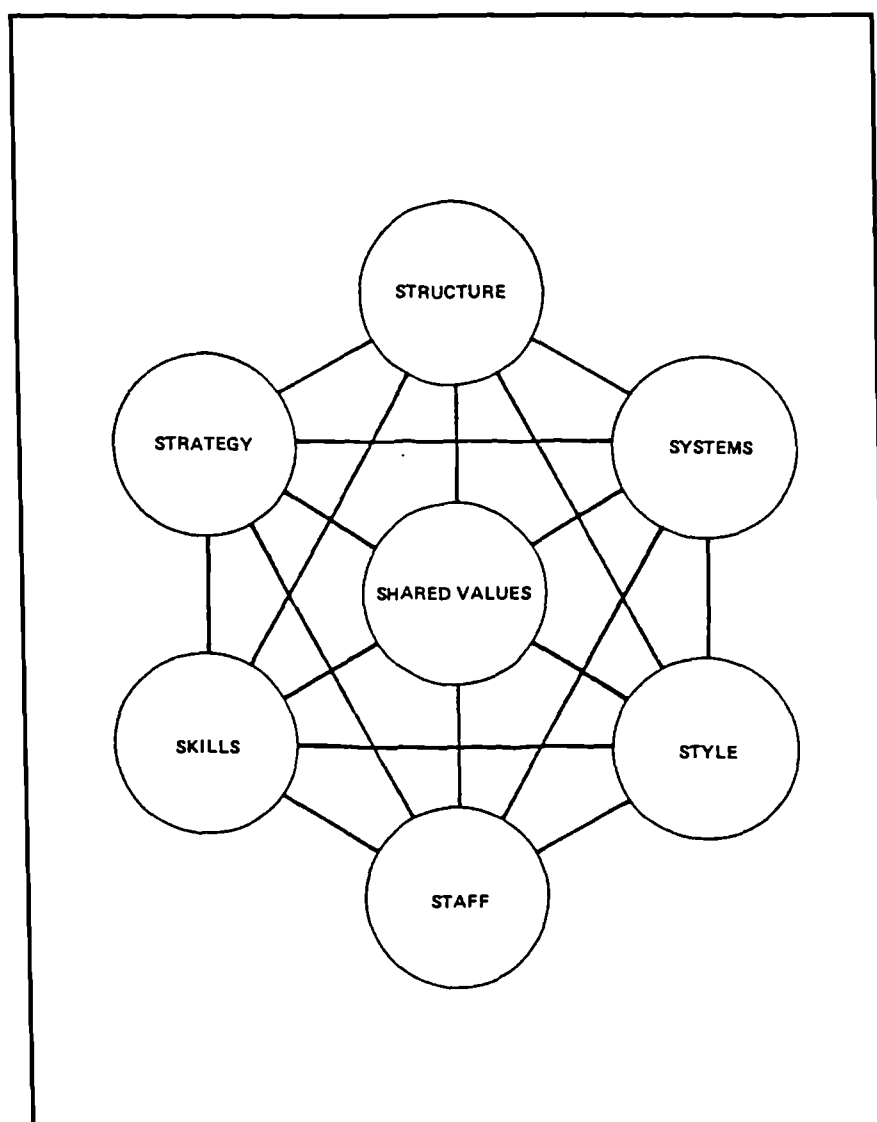
In summary, a review of the literature suggests that there are a number of interrelated organisational factors that can foster or discourage the implementation of the marketing concept. Whilst some of the earlier studies focus on individual barriers to a market orientation there is a growing body of literature that suggests a more holistic perspective needs to be taken. This holistic perspective is consistent with frameworks presented in the marketing audit literature. However, what is clear from the literature is that there is no generally accepted model of antecedents to market orientation. Synthesis of the literature is made all the more difficult by the differing terminology used by the respective authors within the literature. The aim of the next section is therefore to use an appropriate framework to synthesise the literature and discuss, in greater depth, the key elements or factors that encourage or inhibit the adoption of a market orientation i.e. the implementation of the marketing concept. This framework will then be applied to the study of marketing within professional football clubs, which is the focus of this PhD research.

In order to structure a discussion on the antecedents to market orientation, and in light of the diverse range of factors and terminology used within the literature, it is helpful to use an appropriate framework. The 7-S model provides a suitable framework as it is a holistic and fully integrative model that encapsulates the variety of factors identified in the marketing literature and has (as already identified earlier) received acceptance and acclaim by numerous authors as a unifying framework.

### **3.7 The 7-S model**

The 7-S model was developed jointly by academics at Harvard and Stanford Business School and consultants at the McKinsey Consultancy group in the late 1970s. The model was first presented in the *Business Horizons* journal 1980 (Waterman *et al.*, 1980) and popularised in 1982 by the authors in two best selling management books: *In Search of Excellence* (Peters and Waterman, 1982) and *The Art of Japanese Management* (Pascal

and Athos, 1982). The authors of the model argued that the emphasis upon strategy and structure in the management literature had gone beyond the point of diminishing returns and that other organisational variables were also important and required more explicit attention (Pascal & Athos, 1982). In essence the authors suggest that seven interrelated variables contribute to organisational effectiveness, these are: strategy, structure, systems, staff, skills, style, and shared values. These seven variables are arranged into an alliterative package of seven S's to form an interdependent, reinforcing management framework (See Figure 3.1). Table 3.1 summarises the individual elements of the 7-S framework.



**Figure 3.1 The 7-S Framework**



**Table 3.1 The 7-S Framework**

<b>Strategy:</b>	Plan or course of action leading to the allocation of a firm's resources, to reach identified objectives.
<b>Structure:</b>	Characteristics of the organisational chart. How the separate entities of an organisation are tied together.
<b>Systems:</b>	All procedures, formal and informal <i>e.g.</i> planning and control, information.
<b>Staff:</b>	Description of important personnel categories within the firm. Their experience, education, and training.
<b>Style:</b>	Characterisation of how top managers behave in achieving the organisation's goals.
<b>Skills:</b>	Distinctive capabilities of key personnel or the firm as a whole.
<b>Shared Values:</b>	The significant meanings or guiding concepts that an organisation imbues in its members. The basic beliefs and overriding values of the organisation.
Source: Waterman <i>et al.</i> (1980), Pascal and Athos (1982) Peters & Waterman (1982).	

The authors argue that that the 'soft' S's of skills, staff, style, and shared values matter as much as the 'hard' S's of strategy, structure, and systems in achieving effective organisational change and organisational success (Waterman *et al.*, 1980; Peters and Waterman, 1982; Pascal and Athos, 1982). Waterman *et al.*, (1980) point out that there is no implied hierarchy within the framework and that the critical driving force variables may vary depending on the organisation and the point in time. Pascale (1990) suggests that the 7-S framework is an excellent vehicle for assessing organisational fit, that is the extent to which organisational strategy is reinforced by organisational structure, management style, shared values and so on.

Peters & Waterman (1982) acknowledge that their model was not the first multi-variable framework to be developed. Chandler (1962) had highlighted the importance of the fit between structure and strategy and its effect on organisational effectiveness whilst Miles and Snow (1978) and Leavitt (1978) had expanded the discussion to

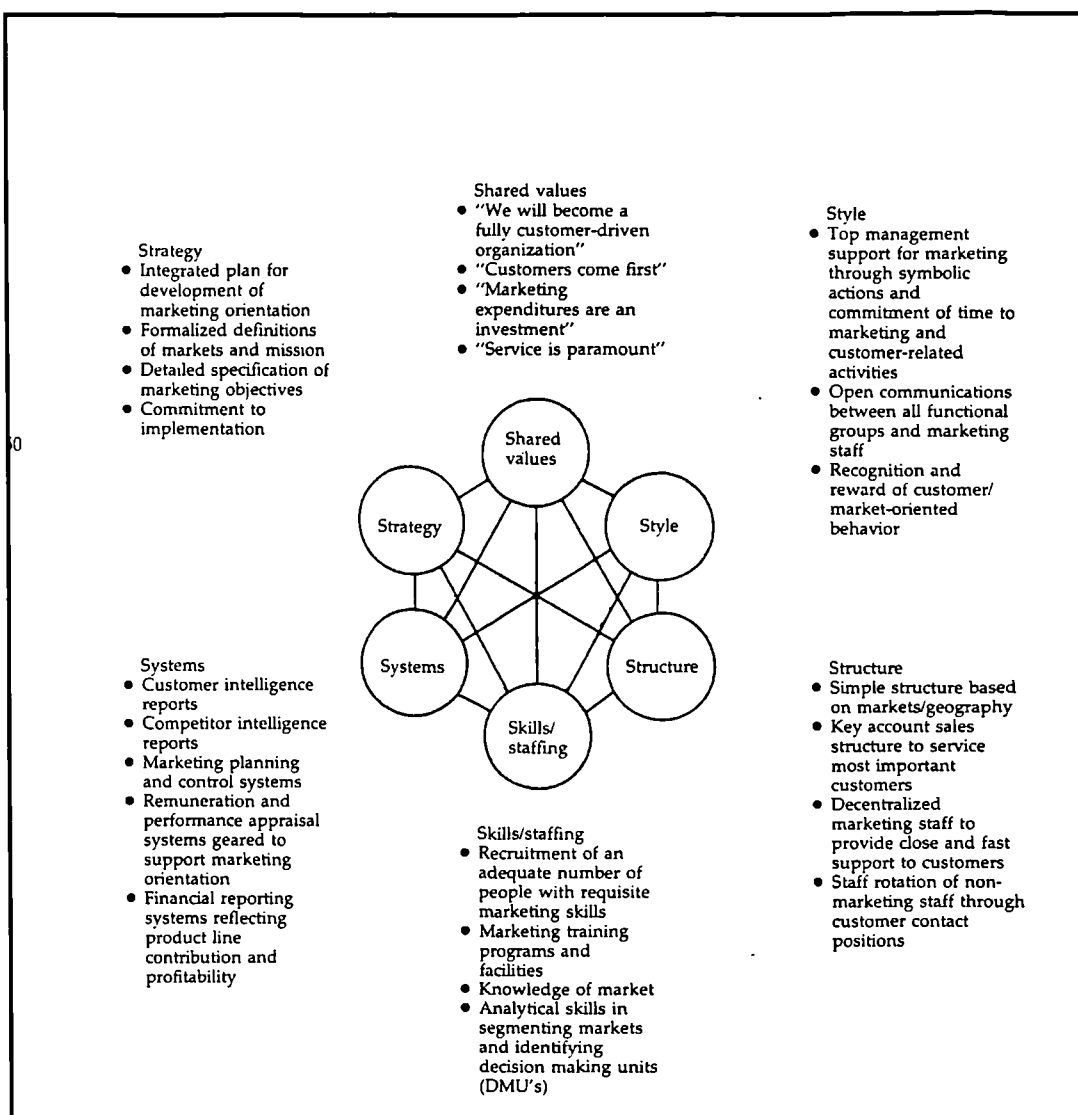
include process, systems and people. While these authors provided an important contribution to the literature it was the 7-S framework that provided a more complete and holistic view of the key organisational variables. Indeed, the holistic view of organisational effectiveness as presented in the 7-S model is consistent with current thinking in the management of change literature (Kelley and Amburgery, 1991; Kanter *et al.*, 1992; Ruekert, 1992; Champy, 1995; Siegel *et al.*, 1996) and has been generally accepted in the strategic management literature (Quinn *et al.*, 1988; Thompson, 1990; Johnson and Scholes, 1993; Nakamura, 1997). Quinn *et al.* (1988:270) extol the virtues of the 7-S model to both academics and practitioners observing that, "...many practising executives and students have found this a most valuable construct in thinking about organisations". The multi-variable premise of the 7-S model is also consistent with the award models of Business Excellence and Total Quality Management that were introduced from the early 1990s (Bohoris, 1995; Hewitt, 1995), while Management Today magazine has used a similar multi-variable framework as a basis for their annual Service Excellence Awards (Management Today, 1996).

The 7-S model has been used by a number of academics in research studies focusing on the organisation as a whole (Pascal and Athos, 1982; Peters and Waterman, 1982; Wong and Saunders, 1993; Zairi *et al.*, 1999) as well as specific functions of the organisation (Barclay and Benson, 1990; Johnne and Snelson, 1990; Dwyer, 1990; Hardaker and Ahmed, 1995). Pascale (1990) suggests that one of the values of the 7-S model to researchers is that it imposes an interviewing discipline on the researcher thus forcing one to audit an organisation from all perspectives.

### **3.7.1 Application of the 7-S Model to Marketing**

Several authors have extolled the virtues of the model as analytical framework for both marketing practitioners and academics (Subhash *et al.*, 1987; Payne, 1988; Johnne and Snelson, 1988; 1990; Barclay and Benson, 1990; Wilson and Fook, 1990; Wong and Saunders 1993). While the 7-S framework was developed originally to appraise the workings of a total organisation, Johnne and Snelson (1988) and Barclay and Benson (1990) contend that there is no reason why the proposed factors can not be applied to the functional, business unit or task level where it can be applied with equal

effectiveness. Subhash *et al.* (1987) agree, arguing that if the model has been suggested as the basis for assessing a company's ability to formulate and implement corporate level strategies these success factors are also applicable to marketing strategy development. Similarly, both Payne (1988) and Wilson and Fook (1990) propose that the 7-S framework can be used to review what is required in an effective marketing oriented organisation. Payne (1988:49) observes that, "... the move toward a marketing orientation must be supported by a set of shared values, systems, management style, organisational structure, sets of skills, and staffing". Figure 3.2 (Payne 1988:50) illustrates how the 7-S framework can be applied to developing a market oriented organisation.



**Figure 3.2 Developing a Market Orientation – The 7-S Framework**

Spillard and Woodthorpe (1994:56) endorse Payne's (1988) application of the 7-S framework arguing that the, "...approach is useful in providing benchmarks for assessing progress towards market orientation". Subhash *et al.* (1987) echo the sentiments of Waterman *et al.* (1980) in pointing out that the individual elements of the 7-S model are all interrelated and mutually enforcing and there is no implied hierarchical relationship. Wong and Saunders (1993) argue that the 7-S framework adequately reflects the various components that have an impact on an organisation whilst Barclay & Benson (1990) contend that the model is by far the most outstanding and simplest model to analyse organisational factors. This view is supported by John and Snelson (1988) who suggest that the 7-S model simplifies the various aspects of the organisation, being an analytical tool to help make sense of the complexity of organisations, and has the advantage of parsimony as the efficiency factors are encompassed under only seven headings which are meaningful to managers.

In summary, it has been argued that the 7-S model is an appropriate framework to structure the discussion on the key factors that might hinder or enhance market orientation. Using the 7-S framework, Table 3.2 summarises the literature contribution in this area. The next section will discuss each of the seven factors in greater depth with reference to the relevant literature identified in the table.

**Table 3.2 Market Orientation – Antecedents**

	STRATEGY	STRUCTURE	SYSTEMS	STAFF	SKILLS	STYLE	SHARED VALUES	NORMATIVE	EMPIRICAL - QUANTITATIVE	EMPIRICAL - QUALITATIVE
Felton (1959)				y		y		y		
Lear (1963)		y						y		
King (1985)		y				y		y		
Baker et al (1986)	y		y				y		y	y
Changanti & Sambharya (1987)						y				y
Doyle (1987)						y			y	
Messikomer (1987)							y			y
Canning (1988)	y	y	y	y		y	y	y		
Payne (1988)	y	y	y	y	y	y	y	y		
Webster (1988)		y	y	y			y	y		
Kotler et al (1989)	y	y	y				y	y		
Kholi & Jaworski (1990)		y	y			y				y
Berry et al (1991)	y	y	y	y			y	y		
Brooksbank (1991)	y	y	y	y		y			y	y
Gummeson (1991)				y			y	y		
Morgan & Piercy (1991)			y						y	
Piercy (1991)	y	y	y	y	y	y	y	y		
Ruekert (1992)		y	y	y					y	
Hayden (1993)	y		y	y		y	y	y		
Jaworski & Kholi (1993)		y	y			y			y	
Wong and Saunders (1993)	y	y	y	y	y	y	y		y	
Cranfield (1994)	y	y	y	y	y	y	y			y
Doyle (1994)	y	y	y	y	y	y	y	y		
Dunn et al (1994)							y		y	
Spillard et al (1994)		y								y
Jobber (1995)	y	y	y	y	y		y	y		
Harris (1996)							y			y
Meldrum (1996)		y	y	y	y	y	y	y		
Pelham and Wilson (1996)	y	y							y?	
Harris and Piercy (1997)			y	y				y		
Harris and Piercy (1997)										
Doyle and Wong (1998)	y		y	y	y	y			y	
Harris and Watkins (1998)	y			y		y	y			y
Narver et al (1998)				y	y	y	y	y		
Siu and Wilson (1998)		y	y	y	y	y	y			y

### 3.7.2 Style

Numerous authors suggest that top management plays a key role in shaping an organisation's values and orientation. Felton (1959) and Lear (1969) emphasise the importance of leadership and the role of top management in developing the appropriate state of mind in order to become market orientated. Similarly, Webster (1988:37) contends that, "...customer-oriented values and beliefs are uniquely the responsibility of top management" and that CEO's must communicate the right signals in order to establish market based values and beliefs within the organisation. Brooksbank (1990) also refers to the importance of strong leadership from the CEO in shaping company attitudes, values and beliefs and suggests that this is often achieved by means of their high visibility within the organisation.

Meldrum (1996) points out that leadership is a complex phenomenon and a position that entails a variety of demands and pressures. Doyle (1994) suggests that the CEO's role will involve communicating the organisation's values and aspirations, inspiring the workforce, and playing a key orchestrating role. Canning (1988) argues that in the marketing-oriented organisation the CEO accords marketing a high priority and plays a critical role in linking the marketing function with the other functions of the organisation. Felton (1959:62) suggests that the top marketing executive of a large firm is more likely to be a "...coordinator, planner, and 'corporate thinker'" while the marketing executive of a smaller firm must "...actually perform a wider variety marketing functions himself".

Slater and Narver (1995) argue that a complex environment often calls for a transformational or facilitative leader; that is a leader who communicates effectively and shares important information with the workforce. They also suggest that leaders must play a key role in 'unlearning' traditional but detrimental practices. Narver *et al.* (1998:245) suggest that leadership is vital to achieving and maintaining a successful change in the organisation's culture arguing that, "...Without appropriate leadership, creating a market orientation is simply not possible".

Kohli and Jaworski (1990) and Jaworski and Kohli (1993) propose that senior management factors are a major antecedent to market orientation. They argue that top management reinforcement of a market orientation is likely to encourage individuals within the organisation to carry out the necessary behaviours and activities associated with a market orientation. They also propose top management's risk posture as an antecedent to market orientation arguing that the greater the risk aversion of top management the lower the level of market orientation. Jaworski and Kohli (1996:130) summarise the required senior management actions pointing out that, "...key issues are communicating a highly visible and consistent commitment to building a market-oriented enterprise, making credible resource allocations, and encouraging informed risk-taking". Interestingly, a study of UK hoteliers by Harris & Watkins (1998) found that contentment of the status quo significantly impeded the probability of change and that this contentment was underpinned by a fear of radical change which the managers and owners believed was associated with improved market orientation.

Felton (1959) suggests that one of the reasons companies fail to implement the marketing concept is due to the lack of marketing experience of senior management. This is supported by the findings of a study by Doyle (1987) which highlighted the lack of marketing literate CEOs in Britain's largest companies and recommended education and training programmes for senior management as well as the appointment of outside marketing expertise to stimulate change. Siu and Wilson (1998) also found that knowledge and understanding of market orientation was a key influence on the extent of senior management commitment to market orientation within FE colleges and the extent to which management are willing to take on marketing roles. Siu and Wilson (1998) highlight the significance of the top down approach and the need for marketing training and development for senior management.

Payne (1988) suggests the need for a 'Marketing Champion' in the CEO role and argues that the attitude of the CEO can often be the determining factor in the success or failure of a move toward a marketing orientation. Similarly, Doyle (1994) contends that top management and, in particular, the CEO can provide the dynamic for organisational effectiveness. The Cranfield study (Cranfield, 1994:81) also highlights the pivotal

leadership and support role that the CEO can play in developing a market driven organisation:

The importance of commitment by the people at the top cannot be overemphasised; if the key people in an organisation are not committed to making an organisation become more customer facing, then it will not happen. Over and over again, the companies in our study mention the importance of a lead from the top of the organisation, and senior management changes seem to be an important part of this process.

### 3.7.3 Shared values

A number of authors have highlighted the importance of organisational culture, and in particular shared values and beliefs, in developing a market orientation. Deshpande and Webster (1989:4) define organisational culture as "...the pattern of shared values and beliefs that help individuals understand organisational functioning and thus provide them norms for behaviour in the organisation". A similar definition is proposed by Dunn *et al.* (1994:123) based on a synthesis of scholarly definitions, "...an organisation's culture consists of its value system and frame of reference that in turn conditions individual behaviour and forms the organisation's identity".

Webster (1988) argues that in a market oriented business beliefs and values should focus on customer needs and the distinctive competencies in satisfying those needs. In a similar vein Canning (1988) argues that in a market oriented organisation the entire company thinks in terms of marketing and marketplace performance. Narver *et al.* (1988:243) suggest that a market orientation consists of one overriding value that is, "...the commitment by all members of the organisation to continuously create superior value for customers". They go on to argue that that if a market orientation is to be developed, "...nothing short of implanting the appropriate culture will suffice". Meldrum (1997:33) supports the proposition that organisational culture is an antecedent to market orientation pointing out that the difference between a marketing culture and a market orientation is that, "...cultural features will affect the degree of market orientation, i.e. in what way marketing tasks will be performed".

Felton (1959) and Lear (1963) argue that successful implementation of the marketing concept requires an appropriate corporate state of mind. This view is supported in the



findings of by a study by Dunn *et al.* (1994) who found that an organisation's values and goals are likely to make have a significant impact on the degree to which an organisation exhibits market orientation. The authors conclude that, "Instilling the proper "state of mind" should greatly enhance a firm's ability to implement strategies dictated by the marketing concept" (p. 140).

Baker (1986) highlights the importance of attitudinal factors in achieving competitive success through marketing while Doyle (1994) points out the importance of a shared vision to achieving a customer oriented business. Similarly, Jobber (1995) stresses the importance of shared values in achieving successful marketing implementation. This view is supported by Harris (1996a:41) who concludes from a review of the literature that, "...employee opinions, attitudes, beliefs and shared values are a major determinant of high levels of market orientation".

Cranfield (1994:68) stress the importance of changing the company culture in order to become market oriented arguing that, "...the critical issue that overshadows all others is how to introduce a customer focus across the whole company, so that everyone accepts the value and importance of having a market outlook to their work". Research by Siu and Wilson (1998) also highlights the importance of establishing a supportive culture when developing a market orientation.

Payne (1988) notes, however, that the development of a marketing oriented organisation requires considerable effort to shift existing attitudes. Indeed, Gummesson (1991) suggests that implanting a market orientation in an organisational culture is far more difficult than academics often suggest. Jobber (1994) concurs pointing out that changing attitudes can be a hard-won battle. Similarly, Denison and McDonald (1995) point out that corporate cultures cannot be changed overnight and that attitudinal barriers often have to be overcome before the marketing philosophy is embraced fully by all personnel.

### 3.7.4 Skills/Staff

The notion of skills can refer to the distinctive attributes or capabilities of the firm or the personnel. Skills may, therefore, refer to the skills of the individual marketing staff or the marketing function as a whole. An organisation may excel in a particular area of marketing such as database marketing or new product development. Individuals may also have specific skills in particular areas of marketing such as market research or forecasting.

The literature suggests that successful implementation of the marketing concept will depend largely on the capabilities and commitment of the people working within the organisation. Meldrum (1996:40) argues that the linkage between marketing knowledge and skills and managerial behaviour is critical to improving implementation of marketing and proposes that, "A number of identifiable managerial competences exist in which marketing managers need proficiency if they are to use their marketing skills and knowledge in a way which enhances the delivery of market-based outcomes for the organisation". Doyle (1994) refers to the importance of core competencies which he defines as the unique bundle of skills which permit the organisation to offer a sustainable competitive advantage. Day (1994) highlights the importance of employee knowledge and skills in developing two distinctive marketing capabilities: market sensing capabilities and customer-linking capabilities. Day (1994:39) suggests that this knowledge and skills can come from, "...technical knowledge, training, and long experience with the process", and suggests a blend of top-down and bottom-up initiatives is needed in order to develop such capabilities.

The combination of top-down and bottom-up initiatives is also proposed by Narver *et al.* (1998) who argue that both a "programmatic" approach and a "market-back" approach is required to develop a market orientation. The programmatic approach consists of, "...teaching individuals the nature and importance of a market orientation and the basic processes, approaches, and skills of creating superior value for customers" (p.246). The Market-Back approach involves adapting the organisation's, "processes, procedures, and structures based on continuous learning from its actual customer-value-creation performance" (p.248). Narver *et al.* (1998) argue that the two approaches must

be managed as a coordinated joint strategy and suggest that one of the main reasons businesses fail to create a market orientation is due to an over emphasis on abstract learning through the programmatic approach with relatively little emphasis given to experiential learning through the Market-Back approach.

Webster (1988) argues that the development of marketing competence requires detailed programmes for recruiting and developing professional marketing managers. Payne (1988) and Wong and Saunders (1993) also emphasise the importance of marketing training and development programs in developing key skills while Harris and Piercy (1997) highlight the importance of linking recruitment, induction and training to customer service capabilities. Brooksbank (1991) suggests that a common feature of research into successful marketing practice is the high level of importance attached to employee training. This is evident in the Cranfield (1994) study which found that all of the sampled “excellent” companies saw training and development as a prerequisite for business success and as a result invested heavily in ongoing training programmes in order to ensure that marketing staff possessed the necessary skills and knowledge. Similar findings are reported by Doyle and Wong (1998:531) from a survey of UK businesses which found that in high performing companies:

The importance of well-trained and committed staff is well recognised. High performing companies invested significantly more in training and the careful recruitment of staff. In the better companies, risk taking was encouraged and high performance among staff was clearly recognised.

A number of authors argue that appropriate market based reward systems for staff is a key factor in developing a market oriented business (Webster, 1988; Reukert, 1992; Hayden, 1993; Jaworski and Kohli, 1993; Cranfield 1994; Meldrum 1996; Harris and Piercy 1997). Studies by Ruekert (1992) and Jaworski and Kohli (1993) found that reward systems that are linked to market based measurements such as customer satisfaction will influence the degree of market orientation within the organisation. Cranfield (1994) contend that one mechanism for instigating a customer orientation is to incentivise the entire workforce to meet customer needs by linking pay and bonus awards to levels of customer satisfaction. Brooksbank (1991) contends that successful companies pay greater attention to establishing and maintaining high levels of employee

motivation using a variety of incentive schemes including: stronger hygiene factors, higher levels of individual responsibility, more recognition for performance, and greater involvement in running the business.

Finally, several authors have highlighted the importance of employee performance in services marketing and the consequent need for internal marketing programmes (Gronroos, 1981; Berry *et al.*, 1991; Gummesson, 1991). Gummesson (1991) argues that in service firms, where the interface with the customer is particularly broad and intense, internal marketing activities are required and should include training, education, information and communication. This view is supported by Berry *et al.* (1991) who argue that internal marketing aimed at attracting, motivating, and retaining high-quality staff is a key contributor to services marketing excellence. Management Today (1998) also propose people management as one of the key criteria for their annual Services Excellence Awards. They argue that the ability to engage people and create an environment in which people are capable and willing to address customer's needs is critical to achieving service excellence.

### 3.7.5 Systems

Marketing information systems and planning and control systems are seen as key factors contributing to the development of a market orientation.

A number of authors contend that a marketing information or intelligence system (MIS) is a prerequisite for the development of a market orientation. Canning (1988) argues that a MIS that focuses on the external environment is required to support decision making. Kotler *et al.* (1989:58) propose that the marketing intelligence system should produce, "...accurate, sufficient, and timely information about developments in the marketplace". Doyle (1994) highlights the importance of information systems in creating a customer oriented business and, like Kotler *et al.* (1989), argues that the information needs to be comprehensive, widely accessible and available fast. Payne (1988) suggests that a MIS should include information on both customers and competitors. In a similar vein Jobber (1995) points out that intelligence gathering should include not only customer's needs and preferences but also the forces that influence those needs and preferences. Harris

and Piercy (1997) argue that developing a market orientation requires the collection of what they term 'different' information which should include service quality levels and customer satisfaction and customer complaint levels. They also point out that this information should be shared with the people that matter within the organisation.

Baker *et al.* (1986:47) observe that market research plays an important role in successful companies' operations, "Given the dictate of the Marketing Concept, that the customer is the focus of the company, it is axiomatic that market research be included in the company's operations". Brooksbank (1990) also contends that successful companies are more oriented towards gathering marketing information. The Cranfield (1994) study found that leading companies carry out regular customer satisfaction surveys and benchmarking exercises and are moving towards continuous, ongoing monitoring and analysis rather than task-based, ad hoc market research programmes. Management Today (1998) use evidence of ongoing collection of information on customer needs and expectations as one of the key criteria for their annual Services Excellence Awards. A study by Harris and Watkins (1998) found that the levels of market orientation in their sample of UK hotels were severely restricted by a lack of information on current and potential customers' needs and types. Interestingly, a quantitative study by Doyle and Wong (1998) found that few companies, whether high or low performers, appeared to collect customer satisfaction or benchmarking information on a regular basis leading the authors to suggest, "...that even in high-performing companies, high quality marketing still has some way to go" (p.531).

There is general agreement in the literature that collection of marketing information is not enough in itself and that it must be acted upon (Kohli and Jaworski, 1990; Hayden, 1993; Cranfield, 1994; Management Today, 1998). The Cranfield (1994) study, for example, highlights an emphasis on the use of marketing information to deliver specific competitive advantage as a distinguishing feature of excellent marketing practice.

A number of authors contend that the existence of planning and control systems is likely to have an impact on the successful implementation of marketing and should therefore be considered as an antecedent to market orientation (Payne, 1988; Webster, 1988;

Kotler *et al.*, 1989; Brooksbank, 1990; Berry *et al.*, 1991; Meldrum, 1996; Doyle and Wong, 1998).

Marketing planning is the systematic and planned application of marketing resources to achieve marketing objectives. It is a specific process associated with the management of a given product or market (Doyle and Wong, 1998). Both Kotler *et al.* (1989) and Berry (1991) propose formalised marketing planning as key elements of a marketing audit and hence key measures of marketing effectiveness or excellence. Payne (1988:32) argues that developing a market oriented organisation requires the installation of an effective marketing planning system and proposes that "...A coherent, comprehensive, and externally oriented marketing plan should be established and updated on a regular basis". Hayden (1993) contends that strategic marketing planning plays a key role in developing a market orientation as the process involves monitoring change, anticipating change, and adapting accordingly while Harris and Piercy (1997) point out that planning in a market oriented organisation should be built around customers rather than products. Both Baker *et al.* (1986) and Brooksbank (1990) highlight the empirical evidence supporting the importance of strategic marketing planning as a key element of successful marketing practice. This is supported by a recent study by Doyle and Wong's (1998) which found that strategic marketing planning was highly correlated with company performance.

Marketing planning and control systems are inextricably linked. Felton (1959) argues that marketing plans provide a useful control mechanism for top management and allows them to keep abreast of individual divisional operations. Kotler *et al.* (1989) suggest that control procedures need to be adequate to ensure that the marketing plan objectives are being met. Canning (1988) highlights the importance of cost-effectiveness analysis to developing a market orientation arguing that marketing and sales activities are often not monitored with the same level of rigor as other functions. Webster (1988) also argues that measurement and reward systems are critical in the development of a market oriented business. Webster suggests that the key to developing a market-driven business lies in the type of performance measures that are used and proposes the use of a variety of market-based measures. Berry *et al.* (1991) highlight the

need to measure service quality levels in services industries and the subsequent importance of monitoring people performance.

Cranfield (1994) highlight the importance of accountability through performance measurement and also call for the adoption of multiple market-based measures of performance. The Cranfield (1994) study found that measurement of the effectiveness of marketing is becoming more important in leading companies who are increasing the number and scope of performance measures, “In the modern marketing orientated organisation, it is common to find much wider application of measurement and performance related pay” (p.104). The study found that companies are including more qualitative measures of marketing assessment and are widening the scope of performance assessment beyond customers to include other stakeholders such as regulators and employees.

### **3.7.6 Structure**

There is a strong body of literature that suggests that the structural characteristics of an organisation can influence its market orientation. Kotler *et al.* (1989) propose three dimensions of organisational structure that are relevant when assessing the effectiveness of an organisation’s marketing operations, these are; formal structure, functional efficiency, and interface efficiency. Formal structure is concerned with how marketing responsibilities are structured and organised while functional and interface efficiency is concerned with the level of integration both within the marketing function and between other functions.

Doyle (1994:29) contends that organisational structure should meet three requirements, “It should encourage people to make a wholehearted contribution, reinforce the development of core competencies and strategic intent, and permit strategies to be tailored to defined markets”. Payne (1988) argues that an appropriate organisational structure should be used to support the company’s marketing activities and contends that to achieve a marketing orientation requires structuring around markets and decentralising marketing staff in order to provide close and speedy support to

customers. Lear (1963) also suggests the need to organise around markets as opposed to products but points out that there are complications involved in such restructuring. Spillard *et al.* (1994:57) stress the need to put a structure in place that, "...positively encourages successful transition towards a market logic", while Gummesson (1991) highlights the importance of designing the company's structure to enable excellence in customer relations. In a similar vein Berry *et al.* (1991) suggest that structure design should enable the co-ordination of the various functions to ensure customer satisfaction.

Brooksbank's (1990) empirical review of successful marketing practice reveals that organisational flexibility characterises successful firms with emphasis on temporary cross functional project teams and strong internal communication links between the various functions. This is supported by Management Today (1998) who view organisational agility as a key criteria for their annual Service Excellence Awards. Slater and Narver (1995) also highlight the importance of organic structure in developing a market orientation. Drawing on the management literature (Burns and Stalker, 1961; Mintzberg, 1991; Miles and Snow, 1992) they suggest the need for an organisational structure that is decentralised with extensive lateral communication processes, use of project teams, and a company wide willingness to co-operate and share information. This is supported by the findings of the Cranfield (1994) study which argues that organisational restructuring and cross functional team building are requirements of a market driven organisation. Cranfield (1994) contend that the main obstacle to changing corporate culture is the functional structure of many British companies. The study notes that leading companies are moving away from the hierarchical, functional model of organisational structure in favour of, "...flatter, leaner and more flexible structure, organised around horizontal core processes rather than vertical functions" (p.69). This restructuring involves organising operations into multifunctional, customer-facing teams focused around market and customer groups. Cranfield (1994) found that the establishment of cross functional teams provides a way of reducing the traditional functional barriers and increasing employee empowerment.

A number of authors have argued that interfunctional co-operation is a key factor in developing a market orientation (Canning, 1988; Kotler *et al.*, 1989; Kohli and Jaworski



1990; Jaworski and Kohli, 1993; Dunn *et al.*, 1994; Harris, 1996; Meldrum, 1996). Research by Kohli and Jaworski (1990) and Jaworski and Kohli (1993) found that interdepartmental dynamics play an important role in determining the level of market orientation of a business. In particular they found that interdepartmental connectedness appears to facilitate a market orientation whereas interdepartmental conflict appears to reduce a market orientation. They define interdepartmental connectedness as the degree of formal and informal direct contact among employees across departments and suggest that it facilitates the dissemination and responsiveness to market intelligence.

### 3.7.7 Strategy

One of the key dimensions of a marketing oriented organisation is market-led strategy which links distinctive competencies to market opportunities and has competitive advantage as the driving force (Jobber 1995). Wesnley (1991) suggests that a marketing strategy should consist of two core elements, 1. An identification of the specific market toward which marketing activities are to be targeted and 2. The types of competitive advantage that are to be developed and exploited. This view is supported by Doyle (1994:30) who states that, “The most important strategic decision is on what markets to focus. Next is the positioning decision – what competitive advantage should the firm develop to build leadership in these markets?”.

Baker *et al.* (1986) conclude from a review of empirical studies that market segmentation and marketing mix policies are key contributors to competitive success. Similarly Brooksbank’s (1990) review of the empirical literature highlights consistent use of market segmentation and targeting among successful companies as well as a pursuit of a clearly defined competitive advantage through management of the marketing mix. This view is supported by Cranfield (1994) who argue that market segmentation and positioning are integral elements of business strategy within leading companies.

The Cranfield (1994:97) study also highlights the importance of building relationships with key customers, “...relationship building is rapidly becoming the most powerful weapon in the professional marketer’s armoury”. Berry *et al.* (1991) also emphasise the

importance of relationship building and distinguish between existing and new customer marketing strategies arguing that both are required in a market oriented organisation. Kotler *et al.* (1989) emphasise the need for sufficient resource allocation to the marketing strategy as well as the importance of optimal allocation of those resources across market segments and the marketing mix elements.

### 3.8 Summary

It is generally accepted in the literature that a market-oriented organisation is one which has adopted the marketing concept. Until the early 1990s very little work had been done on the operationalisation or implementation of the concept and as a result no valid measure of market orientation had been developed. Since the 1990s there has been much debate surrounding the key elements of the market orientation construct. This debate has primarily revolved around the behavioural perspective versus the cultural perspective. It is argued that each perspective has its merits and shortcomings and therefore both behaviours and values should be assessed when measuring market orientation. The market orientation literature has provided value in operationalising the marketing concept, identifying critical behavioural and cultural elements of the market orientation construct, and linking market orientation to performance. However two important gaps in the research to date have been identified. Firstly the majority of market orientation studies have been quantitative in nature and based on questionable measurement constructs. Secondly, relatively little consideration has been given to the identification of key antecedents or levers that would enable a company to become market oriented.

Whilst an understanding of the MO construct is undoubtedly useful, what is also needed, from both an academic and a practitioner point of view, is a greater understanding of how to achieve MO within an organisation. A review of the literature suggests that there are a number of factors that can foster or discourage the implementation of the marketing concept. However what is clear from the literature is that there is no generally accepted holistic model of antecedents to market orientation. Using McKinsey's 7-S framework to synthesise the literature it is argued all seven attributes (strategy, structure, systems, style, staff, skills, and shared values) can be

important in the transition to an effective market orientation. This framework will be applied to the study of marketing within professional football clubs, which is the focus of this PhD research.

## **CHAPTER 4**

# **MANAGEMENT IN PROFESSIONAL FOOTBALL**

## **CHAPTER 4: MANAGEMENT IN PROFESSIONAL FOOTBALL**

### **4.1 Introduction**

This chapter reviews the literature on the management of the football industry at both League and club level, from its origins in 1888 to the end of the 1980s. In 1986 League attendances had reached an all time post-war low. By the end of the 1980s the industry was seen by many as a game without vision with many clubs losing money and the industry reeling from stadium tragedies, hooliganism, financial scandals and disenfranchised supporters. The internal and external reasons for the game's decline in popularity are analysed and it is argued that although there were environmental factors that lay outside management's control much of the blame lies with mismanagement at League and club level. Despite some isolated examples of good practice there is plenty of evidence of a lack of marketing focus and management expertise within the industry. A review of the literature suggests that there are several historical, interrelated reasons for the industry's reluctance to adopt business management principles and practices.

### **4.2 1990 - The Taylor Report**

In 1989 Lord Justice Taylor was appointed by the Government to chair an Inquiry into the Hillsborough crowd disaster where 96 people had died and many more had been injured. Lord Justice Taylor's examination went beyond the specifics of the Hillsborough disaster, examining the current state of football and proposed a range of measures for a better future. Taylor's examination of the state of professional football in England revealed a general malaise or blight over the game that was due to several factors; old grounds, poor facilities, hooliganism, excessive drinking and poor leadership (Taylor, 1990). The Hillsborough disaster was seen by many industry commentators to be the culmination of all the industry's ills. The Economist (1989a:13) argued that the Hillsborough tragedy was a demonstration of systematic failure and that game's biggest liability was, "...rank bad management... Instead of listening to spectators needs and thinking about the future, they hauled up the drawbridge between the director's boxes and the terraces". Ian Taylor (1991), in his discussion of the Taylor

Report and its implications, argued that the report needed to be seen by clubs as a reprimand, not only with regard to crowd safety, but also in respect of providing a worthwhile product/service offering including the provision of comfort, entertainment and refreshments.

It important to note that the football industry had been the subject of a number of Government appointed Inquiries into ground safety and crowd disorder since the 1920s (See Table 4.1) but the clubs had failed to implement the changes recommended.

**Table 4.1 Government Appointed Inquiries.**

1924 The Shortt Report
1946 The Moelwyn Hughes Report
1968 The Harrington Report
1968 The Chester Report (Inquiry into the possible restructuring of the sport)
1969 The Lang Report
1972 The Wheatley Report
1977 The McElhone Report
1985 The Popplewell Report

As the Lord Justice Taylor states, “I have to say that almost all the matters into which I have been asked to inquire and almost all the solutions I have proposed have been previously considered in detail by many distinguished Inquiries over a period of sixty years” (Taylor, 1990:97). For example, on the subject of facilities, the Taylor Report concluded that, “The overall picture of conditions and facilities to be expected by a standing spectator is depressing” (Taylor, 1990:6). Similar comments had been made in the 1985 Popplewell Report which stated that “There is no reason why clubs should continue to provide facilities no better than were available a hundred years ago. Clubs must be encouraged to improve their facilities” (cited in Economist, 1989b:32). Seventeen years previously the 1968 Chester Report concluded that, “Most English clubs have playing and spectator facilities which were built in an earlier age when standards were lower than today... unless they are improved many people will refrain from going to watch football” (Department of Education and Science, 1968:51).

The clubs' failure to act on these recommendations over the years was symptomatic of a general management inertia and resistance to change within the industry. It is the area of management that is of particular interest to this thesis. With regard to leadership within the game Lord Justice Taylor (Taylor, 1990:10) stated that:

As for the clubs, in some instances it is legitimate to wonder whether the directors are genuinely interested in the welfare of their grass-roots supporters. Boardroom struggles for power, wheeler dealing in buying and selling of shares and indeed of the whole club sometimes suggest that those involved are more interested in the personal financial benefits or social status of being a director than of directing the club in the interests of the supporter customers. In most commercial enterprises, including the entertainment industry, knowledge of the customer's needs, his tastes and dislikes is essential information in deciding policy and planning. But, until recently, very few clubs consulted to any significant extent with supporters or their organisations.

This criticism of leadership and management was not a new to football. In 1966 the Government set up an Inquiry into the state of Association Football in Great Britain in response to representations from the football authorities concerning the financial difficulties facing the industry. Norman Chester was appointed as Chairman of the Inquiry and in 1968 the Chester Report was published. Among its many observations was the following damning statement concerning clubs' management:

Notwithstanding the serious financial problems which have faced many clubs in recent years, we doubt whether most have yet given sufficient attention to management. The final responsibility for the good business management of clubs lies with their Boards. It has been frequently represented to us that the calibre of club directors is today not sufficiently high to meet the challenge of an increasingly competitive leisure business. Our experience, despite outstanding exceptions, does not conflict with this view (Department of Education and Science, 1968:62).

To fully understand the reasons for the lack of, what Norman Chester termed, 'good business management' within the industry one needs to look back at the origins and development of the game over the 20<sup>th</sup> century at both League and club level. A review of the literature suggests that there are several historical, interrelated reasons for the industry's reluctance to adopt business management principles and practices.

### **4.3 1900 - 1950**

The Football Association was formed in 1863 by the representatives of a small number of amateur clubs with an agreement to play each other under the same set of rules (Mason, 1980). The Football League was founded in 1888 by the twelve clubs that were thought to have the highest gates in England (Inglis, 1988). The formation of the Football League arose primarily from the growing concern from leading teams of financially damaging unequally matched cup ties (Mason, 1980; Vamplew, 1989). It was also the inevitable outcome of the Football Association's legalisation of professionalism in 1885 (Tomlinson, 1991) which was partly aimed at limiting the bargaining power of players (Holt, 1989). By 1919 the Football League consisted of 44 clubs rising to 88 clubs by 1925. Attendances totalled nearly 11 million in 1907 (Inglis, 1988) and continued to grow reaching 27 million by the beginning of the First World War in 1939 (Szymanski and Kuypers, 1999).

By the end of the period 1875-1914 football was commercialised (Vamplew, 1989) in the sense that it was a business that involved shareholders and entrepreneurs, a labour market had been established, and administrative structures had been put in place by both The Football League and the clubs (Jones, 1984). Public interest was organised and institutionalised, clubs became limited liability companies, and the resulting finance, combined with the generation of gate income, provided the money to build and develop ground facilities (Vamplew, 1989; Arnold, 1991). Although football could indeed be classified as a business, from the outset there were those within the industry that distrusted commercialism and the conflicts it had with amateur sport. Indeed Russell (1997) contends that for most of its history professional football was firmly against commercialisation. It could be argued that in many ways an amateur mind-set was to remain within football in varying forms at both League and club level up until the late 20<sup>th</sup> century.

#### **4.3.1 The Football League**

From its very beginning the Football League sought to establish and enforce rules and regulations that would help retain the competitiveness of the League and the financial



health of its member clubs. The professional sports industry is characterised by what Vamplew (1989) terms 'peculiar economics'. Unlike other industries the professional sports market is characterised by joint interdependence (Cairns *et al.*, 1986). One of the main elements of this concept is that clubs together provide the core product i.e. the game. Football clubs therefore simultaneously compete and co-operate. Linked closely to the concept of joint product interdependence is the matter of uncertainty of outcome which often determines the attractiveness of football as a spectator sport (Cairns, 1990). Arnold (1987:18) notes that, it is because of these peculiar economics that, "Clubs therefore require an organised structure to provide cheaper centralised administration, promote the product and to operate joint policies that further their collective interests".

The Football League therefore, from the very beginning, saw the need to operate as a cartel, imposing unusual restrictions on their member clubs (Sutherland and Howarth, 1986; Arnold 1989). Holt (1989) contends that, in essence, the Football League was a non-profit-making cartel whereby the power of the largest clubs was limited by the smallest. Clubs were allocated between divisions with a promotion and relegation mechanism to preserve a degree of equal competition. In 1890 restrictions were imposed upon player mobility between clubs with the retain-and-transfer system, and revenue sharing policies were implemented from 1919 to facilitate financial parity between the clubs and remained with only minor modifications until the 1980s (Arnold, 1991). Players costs were kept down by introducing a maximum wage system in 1901 which remained intact until the 1960s and helped to level playing standards between clubs, although there is evidence of clubs breaching these rules with financial inducements (Holt, 1989). Clubs were given equal voting status, with any changes to the League's rules and regulations requiring a three-quarter majority. This voting system remained unchanged until the mid 1980s and, as a result, the League's decision making process was highly conservative and the process of change slow (Inglis, 1988; Arnold, 1991). Russell (1997:4) concurs arguing that the Football League remained highly conservative throughout the inter-war years fighting hard to, "...insulate the game's essential values from what it felt were the vulgarities of the marketplace".

### 4.3.2 The Clubs

Football clubs were initially voluntary organisations comprised of voting members and run by committees (Russell, 1997). By 1921 all but three of the clubs had become limited companies primarily to legally secure the cost of providing facilities (Mason, 1980; Vamplew, 1989; Holt, 1989). In the late 1890's and early 1900s several clubs, including Aston Villa and Arsenal, initially resisted conversion to limited liability status because of concerns that the clubs would degenerate into capitalist profit seeking clubs and that it would be against the true nature of sport (Mason, 1980). William McGregor, Aston Villa chairman and founder of the Football League voiced his concerns as early as 1909 warning, "beware of the clever sharp men who are creeping into the game" (Inglis, 1988:301). To allay these sorts of fears the FA enforced certain rules in 1896 concerning the ownership of clubs. These rules required restrictions to be included in the clubs' Articles of Association, to prevent clubs from being commercially exploited by their owners (Arnold, 1988; Russell, 1997). Restrictions were placed on shareholder dividends which could not exceed 5% (raised to 7.5% in 1920). Payment of fees to directors was prohibited and restrictions were also placed on the allocation of any financial surplus on business liquidation. These restrictions remained largely unchanged until the 1980s and, as Arnold (1991) contends, this must have reduced the supply of risk-bearing capital and managerial expertise. Jennett and Sloane (1985) support this view arguing that many of the problems facing football in the mid-1980s resulted from the industry's ability to avoid many of the disciplines of the market system.

In the period 1886-1915 most club shareholders were middle class (Mason, 1980; Tischler, 1981; Vamplew, 1989) and the directors' occupational composition reflected the economic structure of its town (Mason, 1980). Indeed English football club shareholders were overwhelmingly drawn from the local populace (Vamplew, 1989). Mason's (1980) analysis of the directorships of clubs in that period shows that wholesale and retail, the professions, the food and drink trade, manufacturers, and financial and commercial were the largest representatives, accounting for over two thirds of directorships. Unskilled and skilled manual workers accounted for only six percent of directorships (Mason, 1980). In many clubs shares and directorships were passed down the generations (Mason, 1980; Holt, 1989) therefore restricting the

entrance of any 'new blood' into the clubs. Holt (1989:284) suggests that many directors, "...continued in office long after they could hope to participate effectively". An analysis of club shareholdings in 1967 by the Chester Inquiry, found that shares were not freely transferable in about one third of the clubs. In addition to this the concentration of shares with the chairmen and directors meant that more than half the clubs boards were unlikely to be voted out providing they were in agreement (Department of Education and Science, 1968).

In general, profit-maximisation was not a major consideration for football club directors (Mason, 1980; Russell, 1997). Vamplew (1989:283) notes that "...although revenue was important to endure a club's financial stability, for most committees or boards profits took second place to playing performance". He goes on to point out that where profits were made by clubs little was distributed to shareholders with the majority financing ground improvements.

Mason (1980) suggests that the people that became football club directors for the money that they could make from the game were few and far between. The FA regulations prohibited the payment of directors fees and restricted dividend payments which implied an extremely low return to investors even if the dividends were paid in full (Szymanski and Kuypers, 1999). Although some directors profited indirectly from securing supplier contracts (Tischler, 1981; Vamplew, 1989) there were many other attractions to becoming a football club director. Holt (1989:284) points out that being a major shareholder or director brought social prestige and standing in the community offering a sense of self-importance and pride, "being a major shareholder or a director was rather like holding some honorific office within the community; it brought its own private and social satisfactions which could not be measured financially".

Tischler (1981:86) contends that the football business was controlled by the same class of men who directed other concerns and that in this respect, "...football existed as a microcosm of the larger business environment". However, although this may be the case, it has been pointed out earlier that football clubs were generally run on non-profit lines and directors were often attracted by non-financial motives. This may be the

reason why Mason (1980) argues that many football clubs did not always run their clubs on the strict business lines which they applied to their own commercial activities. Mason (1980:47) points out that "A strong whiff of Micawberism permeated football clubs boardrooms: indeed it has never entirely disappeared in the twentieth century".

#### **4.3.3 Spectator Demand**

According to Vamplew (1989) there is general consensus among historians that the main market for most commercialised sport was the working class with football being mainly the prerogative of the upper levels of manual workers and the lower levels of white-collar workers. According to Mason (1980) football became a working class game whilst being refined and organised by the educated classes. This class distinction between the owners and supporters may help explain, in part, the reluctance of football owners and administrators to consult with the supporters throughout most of the 20<sup>th</sup> century (Szymanski and Kuypers, 1999). As Dunning (1999:118) points out, "...legislators of sports such as soccer have traditionally been loath to take the interests and wishes of spectators into account".

Spectator demand for football rose steadily throughout the first half of the 20<sup>th</sup> century, which was a period of economic expansion where demand for leisure was increasing and few alternatives were available to the working classes (Arnold, 1987). By 1939 total attendances had risen to 27 million. The end of the Second World War led to another football boom with total League attendances reaching a peak of 41 million in 1949 (Szymanski and Kuypers, 1999). Holt (1989:297) notes that in the 1940s and the early 1950s "...football remained the ruling passion of working men without cars and televisions, whose world still revolved around the communal life of the works, the pub, and the match".

#### **4.4 1950-1990**

One of the significant trends in the post war period was the decline of attendances within the industry. Between the late 1940s and the mid 1980s football lost over half its spectators. In the decade 1949-1959 attendances fell from a peak of 41 million to less

than 34 million (Sutherland and Howarth, 1986). This decline was to continue over the next three decades with total League attendances reaching an all time low of less than 18 million in 1986 (Gavron, 1986). The reasons for the decline in spectator demand for soccer can be attributed to the changing leisure demands of a more affluent society combined with the industry's failure to adapt to these changes.

The 1950s and 1960s were a watershed in the growth and diversification of mass leisure resulting from increases in disposable income, leisure time and personal mobility (Sutherland and Haworth, 1986; Arnold, 1991). New forms of entertainment such as television became widely available in this period (Holt, 1989). There were also changes to the working patterns and family structures resulting in fewer adult men having the time or inclination to watch in person (Holt, 1989; Holt and Mason, 2000). As Szymanski and Kuypers (1999:46) point out, "football started to become the province of the die-hard fan rather than the recreation of the average working fan".

Although other sports and non-sports industries suffered from this growth in alternative leisure attractions, most notably the cinema, Szymanski and Kuypers (1999) argue that the extent of the decline in football attendances was not inevitable and reflected the failure of the football clubs to respond the changing market dynamics. Bird (1982) estimated a demand equation for Football League attendances for the period 1948/9 to 1979/80 and concluded that League football was an inferior good with a low elasticity of demand. Elements of this 'inferior good' have been put forward by various authors and include; less attractive play, competition domination by a few teams, poor stadium facilities and hooliganism (Gavron, 1986; Corry *et al.*, 1994; Polley, 1998).

#### **4.4.1 Hooliganism**

Football was undoubtedly affected by hooliganism as a phenomenon (Polley, 1988) which emerged in the 1960s and peaked in the late 1970s and 1980s (Holt and Mason, 2000). In this context football reached its lowest ebb in the 1985/6 season with a spate of high profile incidences of hooliganism (Inglis, 1988; Russell, 1997) culminating in the Heysel disaster in Brussels where 39 Juventus fans lost their lives as a result of the

aggressive behaviour of Liverpool fans. English football clubs were banned from European competition by UEFA, the European governing body. As Holt and Mason (2000:125) note, "...watching football was increasingly perceived as a potentially dangerous activity and its young fans as a source of local and national shame".

Many outside the industry, including the Government of the day, saw the emergence of football hooliganism as yet another example of how the football clubs failed to manage their businesses properly citing a lack of policing, surveillance, segregation and a poor standard of stadium facilities as the likely causes. Russell (1997:192) supports this view arguing that, "...the football world, with a few exceptions, showed little willingness to consider the hooligan phenomenon coolly and rationally. The problem was always 'society's'". Interestingly it was the implementation of closed circuit television combined with heavy policing and supporter segregation policies that turned out to be the most effective weapons against hooliganism in the late 1980s (Russell, 1997; Holt and Mason, 2000).

#### **4.4.2 Economic Changes**

There were two important economic changes within the industry in the 1960s and 1970s; namely the abolition of the maximum wage in 1961 and the reform and subsequent abolition of the retain-and-transfer system in 1972 and 1977 respectively. The maximum wage had enabled clubs to artificially keep their costs down and the controls on player's wages and mobility had also been important influences in retaining parity in playing standards between clubs, particularly those with different population catchments (Arnold, 1991). In addition to the growing labour costs the clubs had to meet the increasing policing costs associated with hooliganism and costs of capital expenditure that were required to meet new safety regulations stipulated in the 1975 Safety of Sports Grounds Act (Inglis, 1988; Mason, 1989; Polley, 1998).

In response to falling attendances, increases were made to the minimum admission prices above the rate of inflation and new competitions were introduced in the form of European club competitions in 1955 and the Football League Cup in 1960. As a result,

total revenue from League gates rose in real terms in the post war period (Arnold, 1991). However the higher gate receipts failed to keep pace with the increases in players' wages and capital expenditure (Inglis, 1988). A report by financial analysts Jordans found that eighty of the ninety two League clubs were technically insolvent in 1982 with many clubs dependent on clearing banks and the financial support of individual directors (Inglis, 1988). At least fifteen League clubs had to be rescued from extinction between 1978 and 1986 (Inglis, 1988). Both Charlton and Bristol Rovers had to leave their stadiums due to financial difficulties and several other clubs were forced to sell their grounds to local authorities or part of their land to developers to avoid liquidation (Inglis, 1988; Russell, 1997).

With clubs increasingly experiencing financial difficulties in the 1970s and early 1980s, the Football League and their member clubs sought alternative sources of revenue from both television and sponsorship.

#### **4.4.3 Television and Sponsorship**

The first live broadcast of a football match was the 1937 FA Cup final. However, until the 1960s, the Football League had been reluctant to sanction televised League games for fear that it would have a negative effect on live attendances. (Szymanski and Kuypers, 1999). For example, in the wake of the launch of commercial television in 1955, the Football League turned down an offer of £50,000 from ATV to televise League matches (Polley, 1998). Initially the Football League permitted recorded highlights only with BBC's Match of the Day beginning in 1964 and ITV's Big Match in 1968. It was not until 1983 that live broadcast of League matches was permitted. The 1986 contract with BBC and ITV was worth £2.6 million per year. It is worth noting that at this time the BBC and ITV were the only broadcasters and were therefore able to collude and offer a price well below its true value (Inglis, 1988; Szymanski and Kuypers, 1999). Additionally, at this time, the League management committee lacked the expertise to negotiate with the television companies (Inglis, 1988). The League authorities and the television companies could not initially agree a contract fee for the rights to live games in 1985/6 resulting in a television blackout for half the season. The League's rejection of the television deal proved to be financially damaging to the

industry and persuaded many influential figures, particularly in the leading clubs, that change was needed to the League's management structure (Inglis, 1988). Eventually a deal was agreed worth £5 million per year to the Football League and in 1988 a three year deal with ITV increased the annual revenue to £13 million per year (Fynn and Davidson, 1996). Interestingly when the new competitor entered the market in the form of satellite company BSkyB the clubs were able to secure a deal worth over £60 million per year, more than twenty times the value of the first live TV contract in 1983.

The growth of television coverage in the 1970s and 1980s was accompanied by an increase in corporate sponsorship within the football industry. The growth of sports sponsorship in general was dramatic with the value rising from £2.5 million in 1971 to in excess of £200 million in 1990 (Mason, 1993). Football was relatively slow to embrace sponsorship compared to other sports such as motor racing, cricket, and rugby (Inglis, 1988). Corporate sponsorship began to take off in the football industry from the beginning of the 1980s as many clubs found themselves in severe financial trouble (Szymanski and Kuypers, 1999). The League and its member clubs were finding it increasingly hard to resist the financial offers from courting sponsors and in 1978 the clubs were granted permission by the League to take shirt sponsorship. It was a decision that, according to Russell (1997), led to an acceleration in the process of commercialisation within the game. By 1987 every League club had been associated with a sponsor in some form (Inglis, 1988). By the early 1980s the Football League had fully embraced competition sponsorship with both the League Cup and the League competition being sponsored in 1982 and 1983 respectively. The three year League competition deal with Canon in 1983 was worth £1.1 million per year. In 1983, the restriction on sponsored names on players' shirts was lifted by the television companies as part of the new television deal (UEFA the European governing body had had lifted its ban a year before) (Inglis, 1988).

#### **4.4.4 Structural Reform**

The 1980s saw major structural reforms both in terms of regulations pertaining to both the running of the clubs and the relationship between member clubs.



In 1981 the Football League finally permitted clubs to appoint paid directors in recognition of the increasing commercial complexity of club management (Russell, 1997) and in 1983 the dividend threshold for club shareholders was raised from 7.5% to 15%. Football clubs began to attract more business orientated directors who were to pursue a more aggressively commercial agenda into the 1990s.

The increased importance of income-sharing arrangements during the 1960s and 1970s helped prevent the larger clubs from fully exerting their market power (Arnold, 1991). However the 1980s saw growing demands from the large clubs for changes to the income sharing arrangements and the voting system which was seen as an inhibitor to change (Tomlinson, 1991; Arnold, 1997). The larger clubs (many of who now saw themselves as competing on the European stage) felt they were being held back by the smaller clubs and were keen to take a larger slice of the Football League's financial 'cake' (Inglis, 1988). With the elite clubs threatening a breakaway Super League in the mid 1980s the League was forced to change the income sharing schemes and voting powers in favour of the large clubs (Arnold, 1987; Inglis, 1988; Russell, 1997). In 1986 the gate income revenue redistribution was reduced and sponsorship and TV money was redistributed by division, in favour of the more successful clubs. Additionally, in 1986, the three-quarter majority voting system was replaced by one of two-thirds majority with greater voting power given to the leading clubs. The leaders of The Super League movement had therefore been successful in achieving their objectives in terms of both money and power (Inglis, 1988). The growth in revenues from sponsorship and television compounded with a reduction in income-sharing arrangements resulted in greater inter and intra divisional club income differences which led to a shift in the balance of power in favour of the larger and more successful clubs (Arnold, 1991), a shift that was to continue into the 1990s with the formation of the FA Premier League.

#### **4.5 Club Management**

Although most football clubs have over 100 years of experience they are relatively unsophisticated organisations. Szymanski and Kuypers (1999:77) argue that throughout most of the 20<sup>th</sup> century football clubs have advanced little beyond the commercial

practices of the 1890's concluding that, "...any rational evaluation of football clubs must conclude that they have in the past devoted remarkably little effort to finding and exploiting all the potential income sources".

By the mid 1930s and 1940s, with large crowds and the associated gate receipts, it was clear that clubs had to put their affairs on a business footing and, as Jones (1984:292) points out, "The running of a football club called for a business approach in terms of organisation, financial control and marketing ability". However many clubs continued to be run by often dictatorial directors rather than by managers during this period (Russell, 1997) with the role of secretary and team manager still often the combined responsibility of individual officials (Jones, 1984). With growing spectator demand and a dearth of professional management within the clubs it is perhaps safe to suggest that in this period clubs, although operating as businesses, were generally run on an administrative basis with little emphasis placed on generating alternative sources of income.

By the mid 1960s the industry was suffering from falling attendances and increasing costs. A Government Inquiry was commissioned in 1966 and chaired by Norman Chester. The Chester Report was published in 1968 and identified two types of League club (Department of Education and Science, 1968). The first type of club, which were the majority, were clubs that could not cover their operating costs and were dependent on the efforts of Supporters Clubs, sweepstakes and payments from the League. The report also suggested that these clubs link themselves more closely with the community. The second type of club identified by the Inquiry was a small group of successful clubs that were likely to attract equity capital for their development. The report argued that for these clubs, "...operation on normal commercial lines, with shares freely marketable on the Stock Exchange and paying dividends up to the higher maximum of 15%, could enable such clubs to develop their grounds to a standard comparable to the best in other countries" (Department of Education and Science, 1968:62). The report also recommended that clubs should be permitted to appoint salaried directors, or put their managers or secretaries on to the board of directors. Nearly all of the recommendations

made in the Chester Report were ignored by the League clubs though many were, according to Inglis (1988), excellent.

By the mid 1970s club chairmen and secretaries were having to deal with a whole raft of new legislation governing players, ground safety, insurance, industrial relations and trading regulations and were, along with the unpaid and untrained directors, struggling to keep up with these changes (Inglis, 1988). The pressure to generate alternative sources of revenue combined with the emergence of television and sponsorship in the early 1980s further increased the demands of football club management. Derek Dougan, former PFA Chairman 1970-78, claimed that maladministration and inefficiency was rife within the industry with football clubs controlled by directors who occupied positions for which they were not qualified and who employed managers and secretaries who were not equipped for day-to-day administration (Dougan, 1981). In 1986 an article in the *Economist* business magazine aptly entitled '*Association football: A battered sport and a troubled business*' argued that despite growing into a serious industry, "...too much of this business is still run by amateurs, part-timers and boasters" (Gavron, 1986:46).

In 1978 a feasibility report on behalf of Ipswich Town FC investigated how the club might further its financial potential. The consultancy report observed that football was in debt to the amount of 16 million pounds and listed general bad management as one of the main reasons for the decline of English football. The report warned that, "...the game will remain in this parlous state until each and every club takes a more commercial view of its activities." It concluded that, "...football in short is in a mess. And much of that mess stems from poor management and direction and the failure to run football clubs on a sound commercial basis" (Dougan, 1981:29-30).

In 1982, in response to the growing financial problems of member clubs, the Football League invited Sir Norman Chester to analyse the game's problems for the second time and recommend solutions. The report highlighted, amongst other things, the lack of market research within the industry and also criticised the limited role that marketing played, both within the clubs and the Football League, which was primarily concerned

with sponsorship acquisition. The report noted that, "...an industry which depends on the good will of its customers must try and understand what they find good or bad in the product it offers.... It is pertinent to ask, therefore whether 'Marketing' can do anything to increase attendances" (The Football League, 1983:9-10). These findings are supported by Syzmanski and Kuypers (1999:46) who argue that, even when the industry experienced a continual decline in attendances throughout the 1970s and 1980s, "...attempts to attract new fans through imaginative pricing, marketing and advertising were non-existent".

In the 1960s and 1970s the majority of football clubs' commercial activities had been limited to raising advertising revenue for pitch hoardings and match-day programmes, running lotteries and prize draws, and selling a limited range of merchandise (Russell, 1997). The 1980s saw the emergence of sponsorship and television as viable revenue streams. As the commercial and business aspects of the clubs grew in the 1980s so did the tiers of management and administration (Polley, 1998). The Football League appointed Trevor Phillips as their first commercial manager in 1987 mirroring the appointments that had already been made at many clubs (Polley, 1998). By 1990 he had taken on the role as the Football League's first commercial director and was aware that the pressure to market more effectively at club level would increase. In 1990 the new commercial director stated that:

...a much more customer-orientated approach is needed... only by the application of basic marketing disciplines can we be sure that attendance levels are maintained. Now this may require a considerable cultural, operational and marketing revolution, but it has to be faced up to with some urgency" (Phillips, 1990).

There is evidence that some clubs had taken up the marketing challenge by the early 1990s. Leicester City, for example, appointed Barry Pierpoint from outside the industry as their first marketing director in 1990. Pierpoint went on to transform the clubs' commercial activities introducing, amongst others, innovative community and merchandising strategies (Fynn and Guest, 1994). Pierpoint's initial impressions of the industry however suggested that this type of marketing activity within clubs was the exception rather than the rule claiming that, "...it is an approach that is beyond the wit of many clubs, who generally do not understand marketing and see the commercial side

of their operations as an easy number for an ex-player” (Fynn and Guest, 1994:104). These sentiments were echoed by Karren Brady who found amateur administrative structures in place when appointed as Managing Director of Birmingham City in 1993 (Polley, 1998). Further evidence of commercial ineptitude comes in the form of a two consultancy reports published in the early 1990s. A study in 1990 by the *Abram Hawkes* consultancy, although limited in its scope, concluded that there was a lack of proactive marketing activity within football clubs’ activities. In 1992 a consultancy report on the issues and policies within the industry, concluded that, “...anecdotal evidence suggests that good marketing people are rare...conversely, much of what passes for marketing in football is second rate” (Pitt, 1992:25). It is the aim of this thesis to move beyond anecdotal evidence and determine the extent to which marketing management principles and practices are being adopted by football clubs.

#### 4.6 Summary

The evidence suggests that English professional football clubs have been slow to adopt fully traditional business principles and practices. The industry as a whole has been guilty of being inward looking and lacking market focus. Although most football clubs have over 100 years of experience they are relatively unsophisticated organisations which have advanced little beyond the commercial practices of the early 19<sup>th</sup> century. Reasons for this business and commercial inertia can be found in the origins and development of the game in the 20<sup>th</sup> century at both League and club level.

In the period 1900–1950 the industry was characterised by growing spectator demand, mainly from the working classes, and the emergence of football clubs as limited companies, run by middle class directors from the local populace. League regulations, in the form of labour controls and revenue sharing policies, helped retain financial and playing parity between the clubs and this, combined with restrictions on dividends and directors fees, meant that clubs generally pursued non-profit objectives focusing on playing success. There was little incentive or inclination to market the game actively at League or club level. The League’s voting system meant that the League’s decision making process was highly conservative and the process of change slow.

The period 1950-1990 was characterised by declining attendances and changes to the economic structure of the industry resulting from the abolition of the maximum wage and retain-and-transfer system. In the 1980s the industry began actively courting television companies and sponsors as new sources of revenue. Changes were made to the League's voting and income sharing regulations in favour of the more successful clubs, the shareholders dividend threshold was doubled and paid directors permitted. Although many clubs had appointed commercial managers by the end of this period the clubs' marketing activities were generally unsophisticated and were limited to selling advertising and sponsorship.

It was external forces in the early 1990s, particularly in the form of Government intervention and media investment, that provided the industry with the catalyst for change. These changes will be reviewed in the following chapter.

## **CHAPTER 5**

### **THE FOOTBALL INDUSTRY**

## **5 CHAPTER 5: THE FOOTBALL INDUSTRY**

### **5.1 Introduction**

The previous chapter highlighted the developments within the football industry in from its origins in the late 18<sup>th</sup> century up to the end of the 1980s. In order to understand fully the existing and potential role of marketing management with the football industry, it is important to examine the current industry dynamics. This chapter highlights the major external and internal agents of change within the football industry in the 1990s and the implications for marketing management at both League and club level. The industry finances are analysed and a financial cycle model is introduced and developed in order to highlight the key elements of a football club's business operations. The increasing importance of television and commercial income to the clubs' financial equation is shown and the growing financial divide between the FA Premier League and the Football League is highlighted. The chapter concludes by analysing the commercial revenues of clubs and highlights the variability of commercial revenue generated by clubs of different sizes.

### **5.2 Agents of Change**

#### **5.2.1 The Taylor Report**

In 1990 Lord Justice Taylor published his report into the Hillsborough disaster of 1989. The Taylor Report made a wide range of recommendations regarding ground safety including the recommendation that grounds should become all-seater. The Government revised the Football Spectator Act in 1990 which enforced the all-seater recommendation as well as other safety proposals. Fynn and Guest (1994) argue that the Taylor Report was the greatest catalyst for change the industry had ever seen with the key impetus for change being the large amount of money needed to convert to all-seater



stadiums. By 1996 £417 million had been spent on ground improvements with 27% of the funding coming from The Football Trust which had benefited from a Government decision to divert some of the betting duty on the pools to help with the rebuilding (Deloitte & Touche, 1997). Accountants Deloitte & Touche (1997) estimated that the final expenditure resulting from the Taylor Report would total £750 million.

Ian Taylor (1991:17) argues that the longstanding contribution of the Taylor Report was "...to put the modernisation of stadiums and spectator provision at the centre of football's agenda". By 1998 England had the largest number of all-seater stadiums in Europe (Szymanski and Kuypers, 1999) with a number of clubs including, Middlesbrough, Bolton, Sunderland, Stoke, Derby, Reading, and Northampton moving to brand new purpose built stadiums. The investment in new and upgraded stadia gave the clubs the opportunity to improve facilities and offer an improved product offering to both supporters and businesses. The new facilities provided greater opportunities for match-day catering, hospitality and merchandise revenues as well as opportunities for generating revenue from ground utilisation outside match-days.

Although the move to all-seater stadia reduced the capacity of the grounds, the rebuilding allowed clubs to target new spectator groups and maintain admission price rises. Average ticket prices for the top division have increased on average by 17% annually for the decade 1986/7 to 1995/6, more than four times the rate of inflation (Case Associates, 1997). Between 1992 and 1996 average ticket prices across the industry increased by 67% which was well above the annual Retail price index rise of 11% in the same period (Williams, 1999). One major concern from some commentators is the extent to which certain sections of society are being excluded from the top live matches as a result of price increases (Taylor, 1996; Conn, 1997; Williams, 1999; Conn, 2000). Conn (2000) argues that the rebuilding programme became a springboard for commercialism with little attempts by clubs to follow the spirit of the Taylor Report particularly in the area of providing affordable ticket prices to the less wealthy supporters. Williams (1999) points out that although this may be true, it must also be noted that other previously excluded groups such as females and more affluent fans have probably been drawn into the game as a result of the changes to the stadiums.

Figures from the 1997 FA Premier League National Fan Survey show that while females account for 12 per cent of all FA Premier League supporters they represent about a third of all new fans who had started attending FA Premier League matches in the previous five years (Williams, 1999).

### **5.2.2 Formation of the FA Premier League**

Holt and Mason (2000) suggest that the expensive cost of implementing the Taylor Report provided the final push to the leading clubs to form a breakaway League. With the new TV contract coming up for renewal in 1992 the clubs saw the opportunity to form a breakaway League that would give them greater voting power and a larger slice of the financial cake. The enforced post-Heysel exile from European competition and the growing dominance of the Italian Serie A had led to growing concerns about the quality of the English game (Szymanski and Kuypers, 1999). Tottenham's Chairman, Irving Scholar, summed up the feeling of the top clubs stating, " We wanted to be able to compete in Europe and build our clubs up without being constantly held back by the rest of the Football League" (Conn, 1997:140).

In response to the 1990 Taylor Report and in advance of the new television deal, which was due for renewal in 1992, the Football League published a report entitled '*One Game, One Team, One Voice*' in which they proposed a unified ruling body with representatives from both the League and the FA. However there had been tensions and rivalry between the Football League and the Football Association since the origins of the game in the late 1800s (Tomlinson, 1991; Fynn and Guest, 1994) and the FA were reluctant to join forces with the Football League. The FA saw the opportunity to increase their own influence on the professional game and sought to head off the Football League's plans for reform with proposals of their own. Russell (1997:211) notes that, "...over a hundred years of social, geographical, personal and political tensions had come to a head". The leading clubs found an ally in the Football Association and in 1991 the FA published their own set of proposals entitled '*The Blueprint for the Future of Football*'. A central element of this blueprint was the proposal for a breakaway League. In 1991 the First division clubs approved the

blueprint and gave official notice of their intention to form a breakaway FA Premier League in 1992.

One of the main motives for the formation of the breakaway FA Premier League, and indeed the only real change from the previous First Division, was to grant the 22 First Division clubs the independence from the Football League which enabled them to control the television and sponsorship revenues and distribute it between themselves as opposed to the other 72 Football League clubs (Fynn and Guest, 1994; Russell, 1997; Polley, 1998; Szymanski and Kuypers, 1999). One of the main effects of this was that it enabled the leading clubs to compete financially with their European counterparts (Dunning, 1999) by attracting some of the best players in the World as well as investing in youth development academies. Indeed Russell (1997) argues that the Premiership played a central part in reviving football's fortunes. However the financial divide between the leading clubs and the rest of the Football League clubs was to increase dramatically as a result of the breakaway. As Conn (2000:49) notes, "...redistribution, part of football throughout its history, ended in 1992, with the blessing of the FA".

### **5.2.3 Satellite Television/Media Competition**

After the 1988 ITV deal for live League football, worth £13 million per year, many football club chairmen began to realise the growing importance and potential of television and associated sponsorship revenue to their clubs' finances (Fynn, 1994). The arrival of new technology in the late 1980s in the form of satellite television brought about one of the biggest changes in the game since the FA sanctioned the setting up of the Football League in 1888 (Holt and Mason, 2000). Satellite technology gave broadcasters the potential to directly charge viewers a subscription fee for the right to view programming. In 1990 British Sky broadcasting was formed as a result of a merger between two rival operators, namely Rupert Murdoch's Sky TV and BSB. Capturing sport, and in particular football, was central to BSkyB's strategy to drive subscriptions (Fynn and Davidson, 1996; Russell, 1997) and consequently they paid £304 million to secure a five year deal with the FA Premier League. The £60 million per year deal was worth more than twenty times the value of the first live League TV contract in 1983.

BSkyB carried out an aggressive marketing campaign to promote their partnership with the FA Premier League and this, combined with their innovative and extensive coverage, benefited both the League and BskyB (Fynn and Davidson, 1996; Russell, 1997; Szymanski and Kuypers, 1999). As Fynn and Davidson (1996:217) note, “Sky’s commitment, not just to live transmissions but to preview, review and discussion programmes, in conjunction with their determination to raise production values, quickly enhanced the new League’s status”. In 1996 the FA Premier League renewed their contract with BskyB in a deal worth £670 million over four years (£134 million per year).

Interestingly Russell (1997:214) suggests that the massive injection of money from television could have been counter productive for many clubs in the sense that it “...may well have prevented a thorough review of deep-seated organisational and financial problems from taking place”.

#### **5.2.4 Stock Market Flotations**

The 1990s saw a number of clubs choosing to obtain finance for their ground improvements by relying on the equity markets (Cheffins, 1997). Tottenham Hotspur were the first football club to float on the stock exchange in 1983. The next major flotation was not until 1991 when Manchester United sought PLC status. By June 1997 there were 18 clubs listed on the UK Official List or the AIM (Deloitte & Touche, 1997). By becoming a PLC clubs were able to set up holding companies that were not affiliated to the FA and therefore not bound by the FA’s restrictions on dividend payments. For example, Manchester United PLC’s cumulative profit from 1991 to 1997 was £81.8 million with the total dividend payout being £20 million (Szymanski and Kuypers, 1999). Manchester United PLC’s dividend therefore averaged 25% over this period, well above the FA’s limited of 17.5%.

One of the major implications of the stock market listing concerns the extent to which the financial needs of the investors might conflict with the supporters and club management’s objective of playing success (Deloitte & Touche, 1996; Szymanski and

Kuypers, 1999). Cheffins (1997) argues that there are a number of areas where the interests of the supporters and shareholders are congruent and points out, for example, that both parties can benefit from expenditures that a football club incurs to build and maintain a winning team.

The stock market flotations brought significant windfall profits to the controlling directors of most of the clubs (Hamil, 2000), and Conn (2000) argues that rather than raising finance for ground improvements, the central motivation for football club flotation was for the major shareholders to cash in on their shares, although Szymanski and Kuypers (1999) point out that there are few examples of individuals trying to sell out. Cheffins (1997:75) believes that there has been a positive effect from the move towards the stock market in as much as it has helped force those who run clubs to make significant changes in their management approach. He argues:

In order to shed the image of being run by camel-coated local businessmen who leave their commercial brains behind on Saturday afternoons, publicly quoted clubs have introduced accounting processes and administrative controls which are tighter and more stringent than has been the standard in football. Also, efforts have been made to instil a professional attitude towards business operations and to sharpen the commercial approach.

Despite the trend of clubs seeking PLC status in the mid 1990s, some of the big clubs have been reluctant to take on the pressures that PLC status entails. Additionally there are still many clubs, particularly outside the FA Premier League, who do not possess the financial characteristics to attract investors. Accountants Deloitte & Touche (1996) suggest the following four criteria for a successful football club listing:

- A significant steady following and brand/name recognition.
- The management infrastructure to support a financially disciplined and responsible business
- The ability to maintain a position in the FA Premier League.
- The ability and willingness to deal with the 'glare of publicity'.

### **5.2.5 Fan Power**

Dunning (1999) and Russell (1997) argue that the emergence of the independent fan movement has been a significant development in the industry since the mid-1980s. The national Football Supporters Association was formed after the Heysel tragedy in 1985 and was the catalyst for the growth in the number of independent supporter organisations for individual clubs. Williams (1999) suggests that these groups have in some cases emerged to oppose the increasingly commercialised strategies of top clubs. These organisations are often made up of groups of articulate organised supporters who are putting clubs under pressure and want a bigger say in how their club is run. They have been behind the majority of campaigns against club chairmen, directors, managers, and various club proposals including bond schemes, mergers, and ground developments (O'Hagan, 1994; Russell, 1997; Williams, 1999). Russell (1997:234) notes that "...by the mid 1990s, a combination of good commercial sense on the part of directors and officials and effective spectator pressure had ensured that football fans were less likely to be taken for granted than had often been the case before". The development of organised supporter groups who are better able to voice their views has certainly placed a greater need for clubs to formalise and manage communication channels with their supporters either directly or through the media. The extent to which clubs have managed to implement this is however unclear. The high profile case of Newcastle United in 1998/1999 which involved the conduct of directors, distribution of tickets and the Save Our Seats court campaign demonstrates that, even at some of the larger clubs, customer relations and Public Relations activities are still unsophisticated. Rogan Taylor, appointed as a consultant to the clubs in 2000, points out that "...there has been a sense that the club does not care about its customers which would appall any well run business, let alone a business where supporters care so much that they spread the ashes of their loved ones on the pitch" (Hopps, 2000).

### 5.2.6 A New Breed of Management

Russell (1997) and Conn (1997) suggest that the free market ideology promoted by the Conservative party in the 1980s left its mark on the football industry as it had done on most of the private and public sector. Russell (1997:202) notes that, "...football clubs began to attract younger directors whose business careers were being forged in this new climate and who were much more likely than many of their predecessors to pursue new paths and new methods". Dunning (1999) suggests that the entrepreneurs from the new business class were quick to spot the financial potential of the game. David Dein was one of the new breed of entrepreneurs, who had joined the Arsenal board in 1983. He saw the need to change the industry's arcane working practices, "I went to a few League meetings in my first year at Arsenal and I was appalled at the way this multi-million pound industry was being run" (Fynn and Guest, 1994:47).

Irving Scholar, who gained control of Tottenham Hotspur in 1982, was arguably one of the most innovative and commercially orientated club chairman in the 1980s and is generally credited for setting the agenda for change that was pursued by many clubs in the 1990s (Fynn and Davidson, 1996; Thomas, 1996). Jason Thomas's *book Soccer Czars* provides a fascinating insight into the management structure that Irving Scholar found on his arrival at the Tottenham, Hotspur in 1982 and his attempts to implement change. The club's operations appeared to revolve around the team manager who Scholar noted, "wanted to be in on every aspect of the club, many of which had absolutely nothing to do with football" (Thomas, 1996:57). Scholar strove to implement the European model whereby the team manager would concern himself with coaching and team selection only whilst administrative management dealt with player negotiations and commercial matters.

Under Scholar's stewardship the club was the first to be floated on the stock exchange in 1983 and pursued an aggressive and ambitious commercial strategy. One of the first things Scholar did was to take the club's commercial manager on a trip to the United States to study their sports marketing techniques (Thomas, 1996). The club implemented many innovative marketing strategies including the advertising and pricing campaigns to boost ticket sales, the introduction of telephone and credit card

sales, and a merchandising drive which included re-designing and copyrighting their logo and launching a mail order catalogue (Fynn and Davidson, 1996). Fynn and Davidson (1996:238) suggest that, “their initiatives, many unashamedly borrowed from more enlightened customer-friendly businesses, led the way in changing the relationship between a football club and its public”. Under Scholar’s guidance however, the club was to over-stretch itself financially by diversifying into the production and distribution of sports clothing and computerised ticketing systems. The acquisition of these operations led to financial problems for the club in the late 1980s.

The 1990s saw the emergence of a number of influential club owners such as Manchester United’s Martin Edwards, Blackburn’s Jack Walker, Newcastle’s John Hall, Everton’s Peter Johnson and Tottenham’s Alan Sugar (Thomas, 1996). Russell (1997) argues that the commercial imperative introduced by this new breed of director represents a powerful element within the modern game.

### **5.3 The New Commercialism**

One noticeable feature of commercial development within clubs in the 1990s has been the diversification into new product and market areas, in particular merchandising and licensing, and the utilisation of club stadiums (Polley, 1998). In addition clubs have also expanded their community activities. Analysis of the average number of employees employed by club is shown in Table 5.1 and shows a 52% increase in the five years 1993/4-1998/9. Not surprisingly the FA Premier League clubs show the biggest change with an 86% increase in numbers over the period. The size of playing squads does not tend to vary from year to year and it is therefore reasonable to assume that these increases in employee numbers largely relate to non-playing employees. The majority of increase is likely to be explained by the clubs’ expanding commercial operations with activities such as conference and banqueting particularly labour intensive (Deloitte & Touche, 1997).



**Table 5.1 Average Number of Football Club Employees**

AVG NO EMPLOYEES	93/4	98/99	% CHANGE
FA PREMIER LEAGUE	116	216	86%
DIVISION 1	95	127	34%
DIVISION 2	59	88	49%
DIVISION 3	49	83	69%
TOTAL*	6248	9480	52%
TOTAL AVERAGE	68	103	52%

Source: Deloitte & Touche 1995, 2000

\* The reduction in number of clubs in the FA Premier League from 22 in 1993/94 to 20 by 1998/9 has been taken into account in the calculations.

The modernisation of stadiums has provided clubs with greater opportunities for match-day catering and hospitality revenues as well as opportunities for generating revenue from ground utilisation outside match-days through conference and banqueting services, health clubs and other leisure services. By the early 1990s merchandising, in the form of replica kits, represented a major revenue stream for the clubs who were able to tap into the rapid growth of the sports leisurewear market (Szymasnski and Kuypers, 1999). By 1997 football kit accounted for 11.5% of the £1.7 billion sport and leisure clothing market (Williams, 1999). By the mid-1990s the range of merchandised products and services offered by clubs had increased dramatically (Russell, 1997). Manchester United have been the most prominent club in this area of commercial development. In 1992 they appointed Edward Freedman a retail expert who had previously run Tottenham Hotspur's merchandising operation. Within three years he had increased their merchandising revenue from £2 million to £23.5 million by adopting sound business principles and practices (Fynn and Davidson, 1996; Thomas, 1996). Freedman brought all the licenses in-house, expanded the product range and invested in staffing, new retail premises, wholesaling, mail-order, and promotion through a new club magazine which was sold worldwide (Fynn and Davidson, 1996).

One other aspect of a football clubs' operations that has developed within the 1990s is in the area of community activities. The 1968 Chester Report had noted that the majority of clubs could not cover their operating costs and were dependent financially on the efforts of Supporters Clubs, sweepstakes and payments from the League. The report recommended that these clubs link themselves more closely with the community (Department of Education and Science, 1968). It was a suggestion that fell largely on deaf ears. In the early 1970s the Sports Council offered grants to clubs for community initiatives, but as Inglis (1988:263) points out, "very few took up the offer, and those that did were rarely able to make the best of the deal. In time, they would embrace the concept, however, because they belatedly realised that that 'the community' also meant 'the supporters'". Russell (1997) notes that it was not until the mid-1980s that community issues began to be taken seriously by clubs after the player's union, the PFA, pioneered the Football in the Community scheme which involved Community Development Officers organising coaching sessions and other initiatives within the community on behalf of the clubs. By the mid 1990s most clubs were involved in such schemes with the majority organised under the auspices of the Footballer's Further Education and Vocational Training Society. The extent to which clubs have fully embraced the Community Development Officers into their organisational structures is not clear. The findings of the Football Task Force (1999) report into clubs' community activities suggests that the level of commitment to community initiatives is variable within both the FA Premier League and the Football League and cites player cooperation as a problem, particularly within the FA Premier League clubs. Russell (1997) suggests that while some clubs may have used their community schemes as nothing more than public relations exercises there appears to have been genuine commitment from many clubs. Russell cites clubs such as Leicester City and Preston North as examples of how community initiatives can both increase attendance and widen the supporter base to include younger sections of the community. With the average match-day capacity utilisation less than 50% in the Football League (The Football League, 1996) this would seem to be a rational option for many clubs.

It is clear that from the early 1990s many of the larger clubs began expanding their commercial operations and with this expansion came the appointment of marketing specialists. As Holt and Mason (2000:107) note, “Hyper-commercialisation has even hit clubs like Leicester, bringing forth dozens of marketing men, new shops, executive boxes and restaurants during the 1990s”. However, while the larger clubs may have been investing in greater marketing expertise the anecdotal evidence suggests that, outside the FA Premier League at least, the quality of marketing management is variable. An internal management report prepared for the Football League by Deloitte & Touche in 1997 noted that many clubs had untapped commercial potential that was not being realised due to their commercial managers’ parochial attitudes:

At a number of clubs commercial managers appear to have relatively low status and a very limited field of responsibility. Sponsors have expressed frustrations with the lack of initiative shown by these individuals at clubs. ‘There are too many waiting for a handout rather than shaping their own business’. We understand that these managers commonly have no formal training and have traditionally focused on commissions earned from perimeter, programme advertising, travel and the like. Conversely, at some clubs there are excellent commercial executives from whom their counterparts at other clubs can learn a great deal (The Football League, 1997:113).

The move towards a greater commercialism within the industry has not been made without its critics. As Polley (1998) points out, tensions between continuity and change have characterised sport’s relationship with commerce in the post-war period. Hamil *et al.* (2000) suggests that by the end of the 1990s the tensions between football’s social purpose and the development of a new commercialism had become intense. A consumer survey by Mintel (1996) showed that many supporters are antagonistic towards the big clubs for exploiting their supporters by frequently changing strip designs and charging high prices. Authors such as Taylor (1996), Conn (1997), and Horton (1997) argue that the business and commercial developments made by the clubs in the 1990s have had a negative impact on the game as a whole. Conn (1997) and Hamil *et al.* (2000) argue that there is a need for the game to be protected through regulatory intervention to prevent clubs from exploiting their monopolistic position in the marketplace and to maintain competitive parity throughout the Leagues. In 1997 the Labour Government set up the Football Task Force whose remit was to investigate and make recommendations on a number of issues relating to the running of football clubs. The

Task Force remit, outlined by Brown (2000), summed up the concerns that many people had with the commercial developments made within the industry in the 1990s:

- to eliminate racism in sport and encourage wider participation by ethnic minorities;
- encourage greater supporter involvement in the running of clubs;
- encourage ticketing and pricing policies that are geared to reflect the needs of all, on an equitable basis;
- encourage merchandising policies that reflect the needs of supporters as well as commercial considerations;
- develop opportunities for players to act as good role models in terms of behaviour and sportsmanship, and to become actively involved in community schemes; and
- reconcile the potential conflict between the legitimate needs of shareholders, player and supporters where clubs have been floated on the Stock Exchange.

Whilst it is probably fair to say that many clubs have been guilty of over exploiting their supporters, Szymanski and Kuypers (1999) argue that it is highly improbable that commercial exploitation will 'kill the game' citing the US example where increased commercialisation has done little to diminish the popularity of professional sports. What is clear however is that the growing criticism of clubs' commercial activities in the 1990s by both supporters, media and Government highlights the fine balance needed by club management in pursuing their commercial objectives whilst at the same time showing a responsibility to their supporters and community.

## **5.4 Industry Finances**

### **5.4.1 Industry Size**

The English professional football industry is made up of 92 clubs. 20 clubs operate in the FA Premier League and 72 clubs operate in the Football League. In addition to League competitions clubs partake in European club competitions. One useful indicator of the industry size is the level of demand. The football industry accounts for over 50% of consumer expenditure on spectating at live sports events and is also the most popular

televised sport in the UK (Mintel, 1996). Although attendances for English professional football totalled 24 million in the 1996/97 season a consumer survey by Mintel (1996) shows that only 4% of adults (less than 2 million) go to matches regularly. This figure is supported by the clubs' average attendance figures for the 1996/97 season which total 1.7 million (Deloitte & Touche, 1998). However many more people follow football through the media than actually attend live matches. According to Mintel (1996) 48% of adults enjoy watching football on television (66% of men and 32% of women). A live club match on terrestrial television can command viewing figures of in excess of 10 million with important international matches almost doubling this figure.

Table 5.2 outlines the income and expenditure and employee numbers for the industry in the year 1997/98. The industry directly employs over 9,000 people although it should be noted that this number may be lower as the employee numbers reported by Deloitte & Touche are per the statutory accounts and may include part-time staff not separately identified. The 20 FA Premier League clubs are responsible for 44% of employment within the industry and generate over two thirds of the industry turnover. The industry generated £829 million in total revenues in the year 1997/98 with gate, commercial and television income responsible for 40%, 35% and 25% of the total respectively. A comparison of the revenue stream contribution between the League's shows that while commercial income accounts for similar proportions (34% in the Premier, 36% in the Football League) there are differences in the relative importance of gate and television income. The Football League clubs are more reliant on gate income, which accounts for 51% of income as opposed to 36% in the FA Premier League. The FA Premier League clubs gain a greater proportion of their income from television, accounting for 30% of income as opposed to 13% in the Football League.

**Table 5.2 Industry Income & Expenditure 1997/98**

	FA PREMIER LEAGUE		FOOTBALL LEAGUE		TOTAL	TOTAL
	£000	%	£000	%	£000	%
INCOME						
GATE	203,000	36%	132,000	51%	335,000	40%
COMMERCIAL	196,000	34%	93,000	36%	289,000	35%
TV	170,000	30%	35,000	13%	205,000	25%
TOTAL	569,000	100%	260,000	100%	829,000	100%
EXPENDITURE						
WAGES & SALARIES	296,000	56%	200,000	68%	496,000	60%
OPERATING COSTS	156,000	29%	104,000	35%	260,000	32%
TRANSFER FEES	77,000	15%	(9,000)	-3%	68,000	8%
TOTAL	529,000	100%	295,000	100%	824,000	100%
TRADING SURPLUS/DEFECIT	40,000		(35,000)		5,000	
EMPLOYEE NUMBERS	4082	44%	5166	56%	9,248	100%

Source: Deloitte & Touche (1999)

The size of a business can be determined in practice by using two of the following three criteria; employee numbers; turnover; balance sheet (Bank of England, 2000). Table 5.3 outlines the key indicators as defined by the Companies Act. Table 5.4 shows the average size of clubs in each division in terms of turnover generated and number of employees.

**Table 5.3 Companies Act Firm Size Definitions.**

CRITERIA/FIRM SIZE	SMALL	MEDIUM	LARGE
EMPLOYEES	Max 50	Max 250	251+
TURNOVER	Max £2.8m	Max £11.2m	£11.2m+
BALANCE SHEET	Max 1.4m	Max £5.6m	£5.6m+

Source: Bank of England 2000

**Table 5.4 Club Size - Averages 1997/98.**

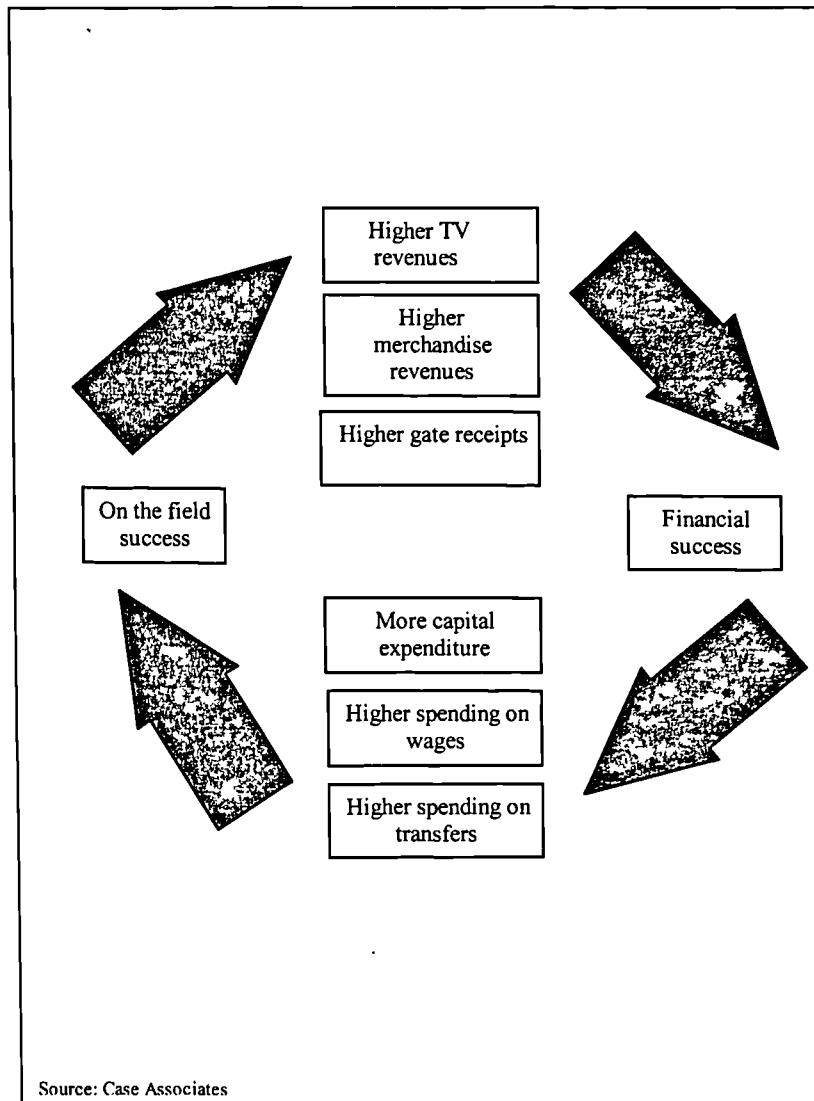
	<b>PREMIER</b>	<b>DIV 1</b>	<b>DIV 2</b>	<b>DIV 3</b>	<b>TOTAL</b>
	£000	£000	£000	£000	£000
TURNOVER (GATE, COMMERCIAL, TV)	28,459	7,304	2,757	1,131	9,106
BALANCE SHEET/NET ASSETS	16,601	3,008	1,356	78	4,768
EMPLOYEE NUMBERS	204	117	80	57	111

Source: Deloitte & Touche (1999)

The Companies Act definition of firm size states that to qualify as a small or medium sized enterprise firms must satisfy any two of the three criteria in any year. Using these definitions of firm size, the average Division 2 and 3 club would be classified as a small firm as both their turnover and balance sheet figures are below the limits set. Additionally, as the reported employee numbers include part-time workers in some cases, it is reasonable to assume that some Division 2 clubs and the majority of Division 3 clubs are likely to have under 50 employees and would therefore also qualify under the employee numbers criteria. The average Division 1 club would be classified as a medium sized firm on all three criteria of employee numbers, turnover and balance sheet total. Similarly the average FA Premier League club would be classified as large firm as a result of its turnover and balance sheet figures. It is worth pointing out, however, that, as many clubs are not profit maximisers, the balance sheet criteria is not an ideal proxy for club size.

#### **5.4.2 The Financial Cycle**

The issue of assessing the performance of the commercial function within professional football clubs is problematic as the financial and on-field performance are seen to be inextricably linked. This is illustrated by the virtuous cycle model (Case Associates, 1997) shown in Figure 5.1

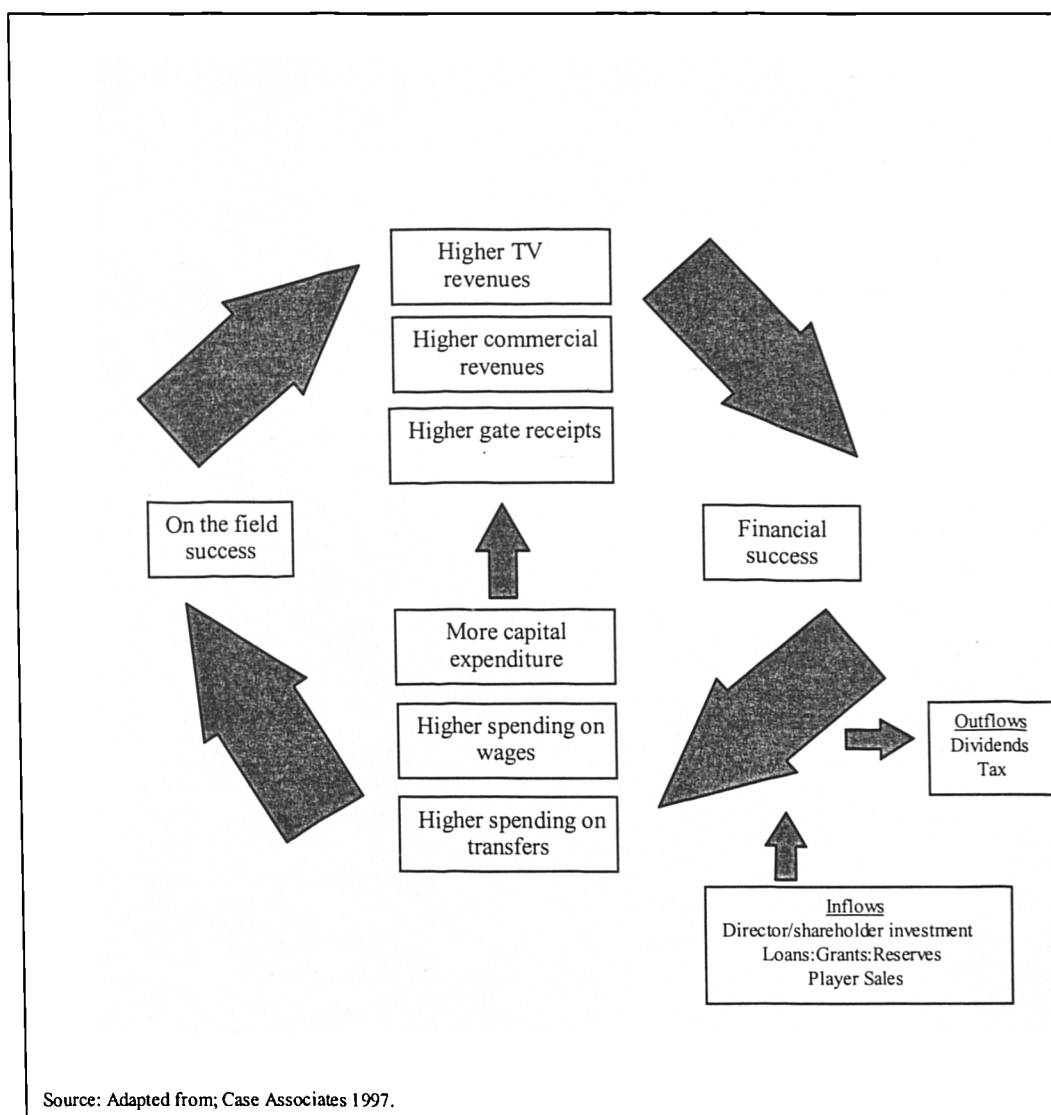


**Figure 5.1 The Virtuous Cycle.**

The Case Associates model is limited in several key areas and has been developed further by the author to provide a more accurate representation of a football club's financial cycle. Firstly, the model needs to incorporate the fact that there are other commercial activities apart from merchandising, such as sponsorship, corporate hospitality and ground utilisation, that can generate revenue and are therefore part of the financial cycle. It is also important to recognise the fact that as more clubs float on the stock market then finances may be withdrawn from the club (outflows) to satisfy shareholder demands. Conversely, inflows may occur from those same flotations allowing clubs to benefit from the virtuous cycle as may other Director investments, loans, grants, reserves or player sales. In addition to capital expenditure generating on-



field-success *e.g.* investment in training facilities and youth academies, it can also be used to generate commercial revenues directly. Capital expenditure on improved stadium facilities provides potential for generating higher commercial revenues from corporate hospitality, conference and banqueting, merchandising and other ground utilisation. Investment in new stadia facilities also provides opportunities for generating higher gate receipts by increasing capacity, raising ticket prices and widening the supporter base by appealing to new market segments. These relationships are incorporated into the model and are shown by linking capital expenditure directly to the revenue streams. The adapted model incorporating the above mentioned changes is presented in Figure 5.2



**Figure 5.2 The Virtuous Cycle (Adapted).**

For a club to benefit from the virtuous cycle then they need a sound financial base. If the club is loss making then its capital base is being eroded and the virtuous cycle is reversed and becomes a downward spiral. If we bear in mind that football inflation is substantially higher than general inflation (since the formation of the FA Premier League in 1992 wages have increased at 26% compound annual growth [Deloitte & Touche, 1998]) then according to Hicksean principles of maintaining 'well offness' (Hicks, 1958) profits need to be generated and retained in the clubs to prevent erosion of the capital base. This is true even if they are operating on not-for-profit principles. The income generated needs to be expended on obtaining and retaining better players through higher wages and transfer fees thus leading to on-the-field success. Analysis carried out by Szymanski (1993) indicates that footballing success, as measured by performance in League competition, is highly correlated with clubs' expenditures on player transfers and wages.

There are several ways clubs can generate income to finance development. Aside from player sales, football clubs can generate income from 3 main sources; gate receipts, TV revenues and commercial income. In order for clubs to maximise their performance all three revenue streams need to be fully exploited. The 1990s has seen a dramatic increase in the amount of revenue generated by clubs. Between 1946 and 1988 real industry revenues had grown by an average of 3% annually. Between 1988-1996 the average annual increase was 18% (Szymanski and Kuypers, 1999). The importance of gate receipts has declined significantly as new revenue areas have opened up in the form of broadcasting, sponsorship, merchandise and stadium utilisation. Commercial income has become an important operating revenue stream for English professional football clubs with, on average, 35% of revenue coming from this area in the year 1997/98.

The formation of the FA Premier League in 1992 and its resultant stranglehold on television and commercial revenues has led to a growing financial divide within the industry. In the year 1997/1998 the 20 FA Premier League clubs were responsible for over two thirds of the industry revenue with only 17% of Football League clubs making a

profit at the operating level as opposed to 85% of clubs in the FA Premier League (Deloitte & Touche, 1999). Football League clubs have also seen a decline in the amount of transfer payments received from FA Premier League clubs who have been increasingly purchasing players from abroad. In the first season of the FA Premier League there were only 11 foreign players registered with FA Premier League clubs. By the 1998/9 season there were 166 registered (Williams 1999). In the same season nearly 50% of FA Premier League transfer payments went to overseas clubs (Deloitte & Touche, 2000). With the top clubs also investing heavily in their own Football Academies to develop young players the net transfer flow from FA Premier League clubs to Football League clubs is likely to reduce further.

The increase in foreign player transfers is due to both the FA Premier League's increasingly competitive position within Europe and the effects of the Bosman ruling which has had an impact on the structure and financing of the game in both England and the rest of Europe (Dunning, 1999). In 1995 Jean-Marc Bosman, a Belgian player challenged the transfer system in the European Court. The Court ruled that the transfer system restricted the freedom of movement of football players and that clubs could no longer demand a transfer fee for a player who had completed his contract. The Court also ruled against UEFA's limit on the number of foreign players. Szymanski and Kuypers (1999) suggest that, as a consequence of Bosman, clubs will have to write longer-term contracts and will subsequently have to adopt a longer-term approach to their business.

A worrying problem for all clubs is the escalating cost of players wages which have increased at 26% compound annual growth wages since the formation of the FA Premier League in 1992 (Deloitte & Touche, 1998). As costs increase clubs are therefore under increasing pressure to increase their income to maintain their expenditure levels on players.

### **5.4.3 Commercial Performance**

It is clear from the above analysis that commercial income is an important part of football's financial equation. However, what is not clear is whether all clubs are maximising their commercial potential. Using published and unpublished financial information on all 92 English professional clubs a model of analysis was developed to assess the commercial performance of clubs in order to identify the above average, average and below average performers for large, medium and small clubs. Football clubs do not make profit contribution data of their commercial activities publicly available so commercial turnover was used as the key measure of performance. The commercial income generated by clubs was calculated excluding revenue streams that are predominantly outside the remit of the marketing function i.e. player transfers, gate, TV and League awards. For comparison purposes the commercial income figure is then divided by the club's average gate to take into account club size thus providing commercial income per spectator. Club size can be determined by a number of indicators, such as average gate, turnover, and employee numbers. Clearly the size and success of the club is an important factor in obtaining income generation and the analysis showed a high positive correlation (Pearson Correlation 0.902, significance level 0.01) between club turnover and size of attendance. This is what one would intuitively expect. Average gate was felt to give a reliable reflection of a clubs size and hence its commercial potential. There is a danger however that the importance of the quality of the marketing management is not fully recognised with the assumption that the larger the club the larger the commercial revenue irrespective of the quality of that function. A deeper examination of clubs' commercial operations is required to identify relatively high and low performers from that expected.

The major role of the commercial function is to convert support into commercial income. The level of support is based on several factors including geographical location of the club, its catchment area, and the club's current and historical success. It is difficult to gauge the impact of these factors directly but a proxy for the above is attendance. If converting support into commercial income is the major role of the marketing function then its success can be measured by calculating the average commercial income per spectator. It was hypothesised that there would be a correlation

between the level of support and the ability to exploit that support commercially. It would be expected that the larger the club the greater the potential especially in the areas of merchandising, sponsorship and corporate hospitality. This hypothesis was confirmed in that the correlation between income per spectator and the size of the club was as follows. For clubs with an average gate in excess of 20,000 the correlation was 0.621 (significance level 0.05) . In the medium sized clubs with average gates between 10,000 and 20,000 this correlation reduced to 0.271 (significance level 0.01) and with smaller clubs with average gates below 10,000 average the correlation was 0.122 (significance level 0.01). This does not detract from the measure suggested but rather supports it.

75 of the 92 clubs were analysed for the 1995/96 season. 17 of the smaller clubs were omitted from the analysis because they had either not made their accounts publicly available or had included transfer fees in their turnover figure. The results of the analysis are shown in Table 5.5 with clubs listed in order of size. For illustrative purposes the results are broken down into large medium and small clubs and presented as scatter diagrams (See Figures 5.3,5.4,5.5). The deviant performers are those that vary from the line of best fit identified in the scatter diagrams.

**Table 5.5 Commercial Performance by Club Size 1995/6**

Club	Division	Position	Average attendance	Turnover (excluding transfer fees) £000	Commercial Income £000	Commercial Income/Turnover (%)	Commercial Income per Spectator £
Man United	0	1	41,700	53,316	37,052	69%	889
Liverpool	0	3	39,553	27,396	15,695	57%	397
Arsenal	0	5	37,578	20,975	9,681	46%	258
Newcastle	0	2	36,507	28,970	16,793	58%	460
Everton	0	6	35,435	17,004	8,124	48%	229
Aston Villa	0	4	32,614	18,865	7,559	40%	232
Leeds	0	13	32,578	18,751	10,078	54%	309
Tottenham	0	8	30,510	27,394	16,006	58%	525
Middlesbrough	0	12	29,283	14,024	7,055	50%	241
Man City	0	18	27,869	12,698	6,991	55%	251
Blackburn	0	7	27,714	16,325	3,781	23%	136
Notts Forest	0	9	25,916	16,085	7,658	48%	295
Chelsea	0	11	25,466	15,948	7,262	46%	285
Sheffield Wed	0	15	24,877	10,078	4,775	47%	192
Wolves	1	20	24,786	10,450	5,429	52%	219
West Ham	0	10	22,340	11,995	5,164	43%	231
Bolton	0	20	18,822	6,742	2,501	37%	133
Coventry	0	16	18,507	8,965	4,075	45%	220
Birmingham	1	15	18,090	7,337	2,758	38%	152
Sunderland	1	1	17,482	7,166	3,346	47%	191
Leicester	1	5	16,530	9,272	4,739	51%	287
QPR	0	19	15,683	7,173	2,998	42%	191
Crystal Pal	1	3	15,248	5,935	2,271	38%	149
WBA	1	11	15,061	5,429	2,171	40%	144
Southampton	0	17	14,820	7,646	3,116	41%	210
Derby	1	2	14,327	4,516	1,991	44%	139
Wimbledon	0	14	13,246	5,874	2,329	40%	176
Huddersfield	1	8	13,151	3,430	1,294	38%	98
Sheffield Utd	1	9	12,901	4,311	1,840	43%	143
Ipswich	1	7	12,604	4,213	947	22%	75
Stoke City	1	4	12,275	3,743	1,381	37%	113
Charlton	1	6	11,185	3,691	1,733	47%	155
Swindon	2	1	10,602	4,441	2,537	57%	239
Preston	3	1	10,012	2,876	1,391	48%	139
Milwall	1	22	9,571	4,054	2,270	56%	237
Watford	1	23	9,457	3,111	1,320	42%	140
Portsmouth	1	21	9,406	2,834	1,171	41%	124
Burnley	2	17	9,064	2,351	883	38%	97
Reading	1	19	8,918	2,840	1,121	39%	126
Port Vale	1	12	8,227	2,789	1,163	42%	141
Barnsley	1	10	8,086	2,296	691	30%	85
Tranmere	1	13	7,861	2,987	1,523	51%	194
Luton Town	1	24	7,223	3,004	1,522	51%	211
Gillingham	3	2	7,198	1,940	910	47%	126
Plymouth	3	4	7,120	2,371	1,223	52%	172
Oldham	1	18	6,634	3,270	1,300	40%	196
Grimsby	1	17	5,992	2,173	933	43%	156
Stockport	2	9	5,903	1,494	690	46%	117
Southend	1	14	5,898	2,449	1,136	46%	193
Blackpool	2	3	5,818	2,141	1,229	57%	211
Bradford City	2	6	5,708	2,959	1,843	62%	323
Bristol Rovers	2	10	5,279	1,397	432	31%	82
Notts County	2	4	5,130	1,715	492	29%	96
Brentford	2	15	4,768	1,301	481	37%	101
Wycombe	2	12	4,573	2,284	1,447	63%	316
Orient	3	21	4,478	1,238	689	56%	154
Fulham	3	17	4,191	1,428	571	40%	136
Crewe	2	5	3,974	1,141	375	33%	94
Hull City	2	24	3,803	941	328	35%	86
Wrexham	2	8	3,705	1,056	369	35%	100
York City	2	20	3,538	1,145	325	28%	92
Cardiff City	3	22	3,420	895	336	38%	98
Rotherham	2	16	3,413	1,132	267	24%	78
Shrewsbury	2	18	3,348	1,095	261	24%	78
Colchester	3	7	3,274	568	58	10%	18
Bury	3	3	3,262	1,095	579	53%	177
Hereford	3	6	2,973	1,035	522	50%	176
Lincoln	3	18	2,870	677	211	31%	74
Wigan	3	10	2,856	606	151	25%	53
Cambridge	3	16	2,767	591	117	20%	42
Torquay	3	24	2,454	1,155	751	65%	306
Scunthorpe	3	12	2,434	959	549	57%	226
Darlington	3	5	2,408	792	223	28%	93
Rochdale	3	15	2,214	787	411	52%	186
Hartlepool	3	20	2,072	788	262	33%	126
Scarborough	3	23	1,714	528	208	39%	121

Source: The Football League, The Football Trust (1998), Deloitte & Touche (1997)

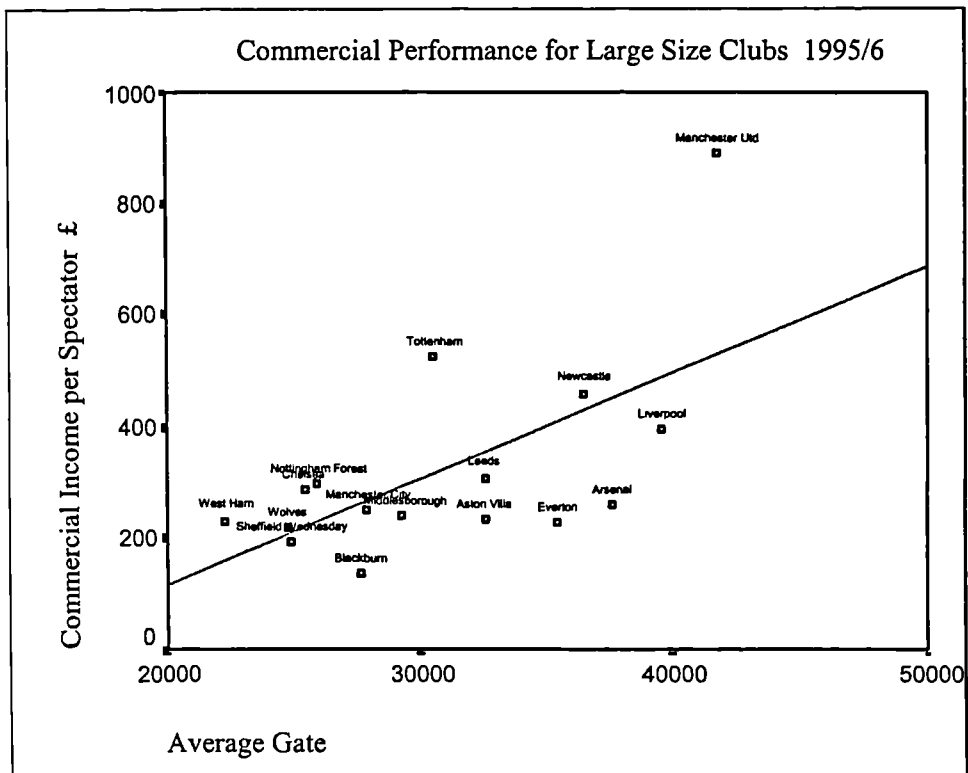


Figure 5.3 Commercial Performance for Large Size Clubs 1995/96

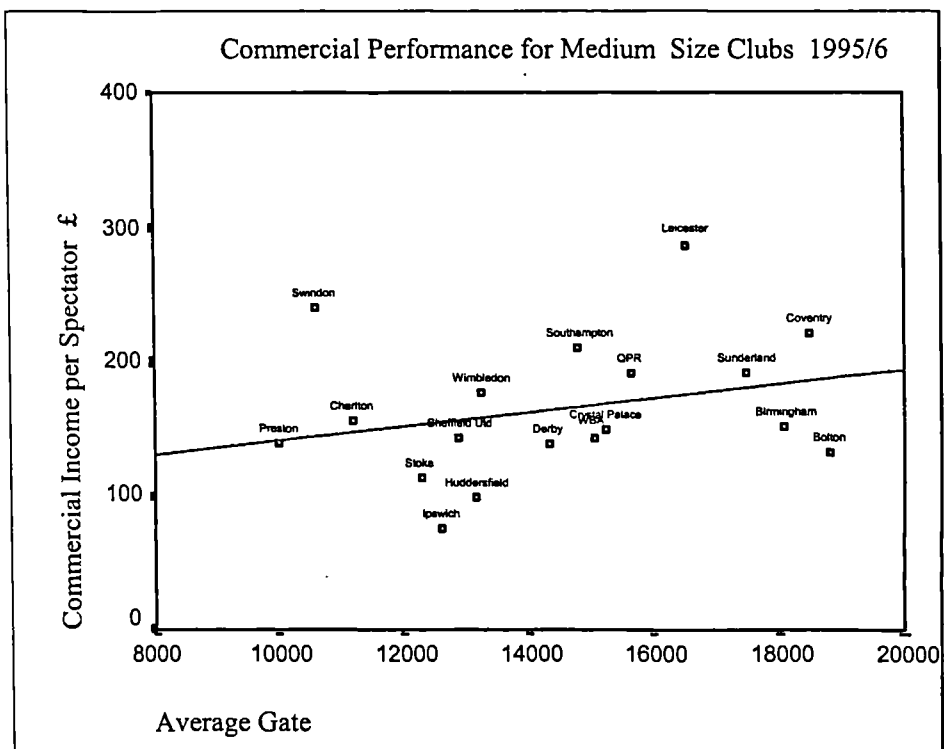


Figure 5.4 Commercial Performance for Medium Size Clubs 1995/96

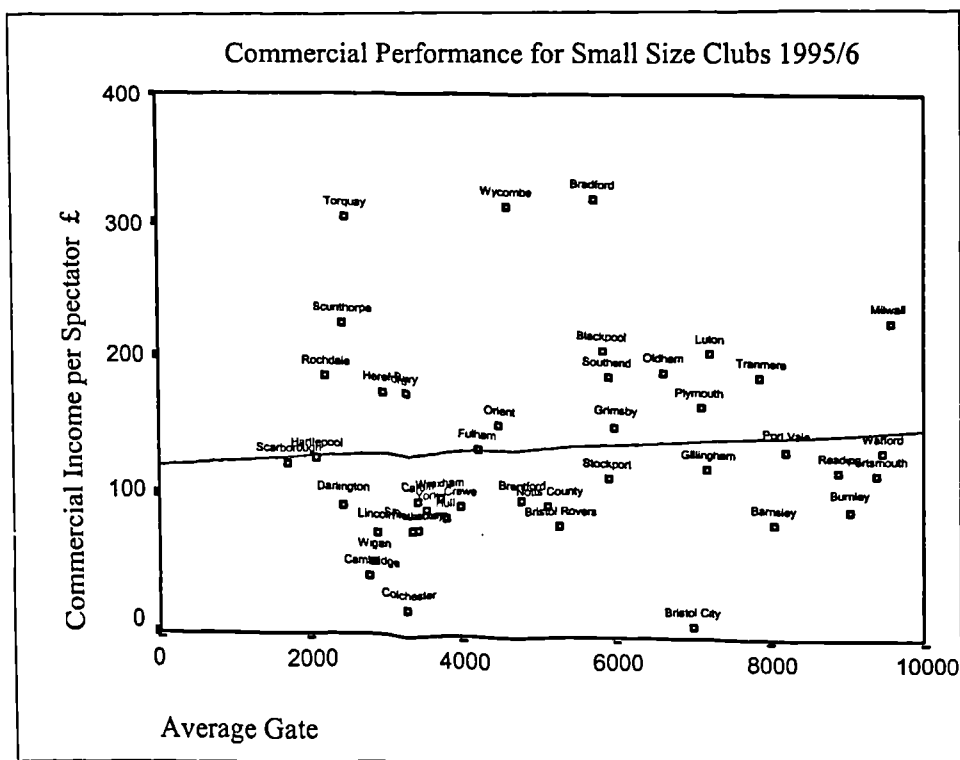


Figure 5.5 Commercial Performance for Small Size Clubs 1995/96

The results in Table 5.5 highlight some interesting disparities in commercial performance between clubs of similar size. In the FA Premier League Nottingham Forest are generating £295 per spectator as opposed to Blackburn's £136 per spectator. Both clubs have average gates of 27,000-28,000 and finished 7th and 9th respectively. In Division 1 Leicester City are generating £287 commercial income per spectator as opposed to Sunderland's £191. Both clubs have average gates of 16-18,000 and both were promoted to the FA Premier League that year. Sheffield United and Ipswich Town both have average gates of 12-13,000 and finished just outside the play-off positions. However Sheffield United are generating £143 commercial income per spectator as opposed to Ipswich Town's £75 per spectator. In Division 2 Wycombe Wanderers are generating £316 commercial income per spectator compared to Brentford's £101 per spectator. Both teams have average gates of 4,000-5,000 and both finished mid-table.



Football like many other sports is followed by far more people than actually attend the matches in person. There are a number of clubs, in the FA Premier League in particular, that have a large number of indirect supporters who may not attend matches regularly but will be predisposed to watching the team on television and buying club merchandise. For example estimates from Fletcher Research (1997) suggest that Manchester United have 3.3m fans in the UK alone, Liverpool have 2.2m and Newcastle 1.7m. A number of these clubs are also currently operating at 100% capacity over the season and have surplus demand for tickets. These clubs therefore have greater opportunities to generate revenue from merchandise sales and command lucrative sponsorship deals. One would therefore expect to see a relatively higher commercial income generation per spectator than the less popular clubs. The results in Table 5.5 confirm this with Manchester United quite clearly in a League of their own in terms of commercial performance, generating £889 commercial income per spectator. Tottenham Hotspur are the second highest performer in the FA Premier League generating £525 per spectator. Liverpool and Newcastle are generating £397 and £460 per spectator respectively.

The on-field success and size of the club is of great significance to a club's financial performance. However, using the published data available the model has highlighted significant disparities in commercial performance between clubs of similar size and on-field success. It is reasonable to assume that the clubs' investment in marketing resources and the quality of that resource will have an effect on the commercial income per spectator generated.

This analysis has made use of the best published data available as well as internal industry figures, however it is recognised that there are limitations in using revenue alone as a measure of commercial performance. In an ideal world, other financial and non-financial measures would also need to be considered, such as profit contribution, customer satisfaction and customer loyalty. Additionally, it is recognised that a club's commercial revenue will also be a function of several other interrelated factors, which would need to be taken into account. These are stadium facilities; team success; geographical location; and diversification. Firstly, capital expenditure on club stadiums

provides improved facilities and opportunities for increased commercial revenue *e.g.* corporate hospitality, catering, merchandising, ground utilisation. Not all clubs in the lower Leagues have upgraded their stadiums and therefore they do not have the same commercial opportunities as those that have. Secondly, team success in the League and cup competitions is likely to lead to greater media coverage and a higher profile within the community enabling clubs to command greater sponsorship and hospitality revenues. Corporate clients will want to be associated with successful clubs and supporters will be more predisposed to purchasing ancillary products and services such as merchandise. Thirdly, the geographical location and the level of competition within the catchment area from other professional sports clubs could not only affect the average gate but may also affect the ability to generate corporate sponsorship and hospitality revenues from local businesses. Fourthly, several clubs have diversified into other non-football related areas, which will obviously increase the commercial income per spectator.

## **5.5 Summary**

Increasing wage costs, the implications of the Taylor Report and the growing financial inequalities within the industry has meant that revenue generation has become increasingly important to many club's finances. Analysis of industry finances shows that non-gate income, in the form of television and commercial revenue, is becoming an increasingly important part of the football clubs' financial equation. The analysis has highlighted considerable variability in the amount of commercial revenues generated by individual clubs, even after taking club size into account. It is suggested that one reason for this could be variability in the quality of marketing management at clubs.

The analysis also highlights a growing financial gap within the FA Premier League between the majority and a few elite clubs who, because of their size and on-field success, enjoy considerably greater revenue and profit opportunities off-field. There is also a growing financial divide between Football League clubs and their FA Premier League counterparts. This growing divide has been driven primarily by the increasing television revenues that FA Premier League clubs have been receiving since 1992. The

situation has been compounded by the effects of the Bosman ruling which has seen clubs in the lower divisions receiving less player transfer revenue from the FA Premier League clubs who are purchasing players from abroad. This financial situation means that the smaller clubs, more than ever, need to adopt a professional approach to running their off-field activities.

Finally it is clear from the analysis that commercial management demands within the industry are becoming increasingly complex and diverse as a result of changes within the industry. Football clubs need to manage the increasing complexity of their stakeholder composition and tensions resulting from new ownership structures, growing fan power, growing player/agent power and the increasing number of non-playing employees. The extent to which clubs are successfully adapting to this increased management complexity is not clear from the existing literature and is of primary interest to this study.

# **CHAPTER 6**

## **RESEARCH DESIGN**

## **CHAPTER 6: RESEARCH DESIGN**

### **6.1 Introduction**

This chapter presents a detailed overview of the primary research design within this study. Firstly, the chapter summarises the research gaps identified in the literature review presented in the previous four chapters. The overall research objectives are then outlined and the research design detailed. The benefits of methodological triangulation are presented within the context of the research objectives. A staged research design approach is proposed to provide an in-depth and holistic understanding of marketing within English professional football clubs. This is followed by a detailed description and justification of the methods chosen at each stage of the research process.

### **6.2 The Research Gap**

This section summarises the gaps identified in the literature review presented in the previous four chapters (Chapters 2-5).

#### **6.2.1 Marketing**

It is generally believed that the adoption of marketing was led by consumer-packaged-goods companies, followed by consumer durable companies, and industrial goods companies. Marketing was adopted more slowly by the service industries with not-for-profit organisations only moving towards marketing from the mid-1980s onwards. A number of formative research studies carried out in the US and the UK in the 1980s and 1990s suggest that the extent to which marketing principles and practices have been adopted by firms is variable both between and within industries. Several studies have identified the existence of a natural progression of marketing development within the company from a sales support role through to the adoption of marketing as a guiding philosophy for the whole organisation, which suggests there may be an evolutionary process towards becoming fully market orientated. Results from previous empirical

studies also suggest that the speed and depth of the transition towards a greater endorsement of the marketing concept within organisations exhibits size connotations. Despite the apparent importance of marketing, a number of authors have highlighted the dearth of literature on what makes a market oriented organisation (Payne, 1988; Narver and Slater, 1990; Whittington and Whipp, 1992; Jaworski and Kohli, 1993; Day, 1994; Spillard *et al.*, 1994; Harris, 1996; Jaworski and Kohli, 1996; Narver *et al.*, 1998). Despite a number of calls for more research in the area, very little has been done, and as a result, very little is known about the characteristics of successful programs for building market orientation.

It has been argued that there has been an over-reliance of quantitative methods in all areas of academic research in marketing (Brown, 1993; Hunt, 1994; Milliken, 2000). The large majority of the research examining marketing practices and market orientation within organisations has been quantitative in nature with a dominant reliance on postal questionnaires to single respondents within organisations. The limitations of using this method of data collection alone, within the context of measuring a firm's market orientation, have been highlighted by several authors (Whittington and Whipp, 1992; Wensley, 1995; Jaworski and Kohli, 1996; Balabanis *et al.*, 1997; Parkinson and Chambers, 1997). Very little qualitative research has been carried out in this area, despite the recognition by many academic researchers that using qualitative methods could usefully complement quantitative survey analysis.

### **6.2.2 Sports Marketing**

There is general agreement in the literature that the unique aspects of the sport product and the unusual market conditions have required marketing personnel to adopt different strategies from those accepted as traditional marketing theory. Despite this apparent theoretical industry 'uniqueness' no previous empirical studies have been carried out into the overall marketing principles and practices of professional sports organisations in the UK or the US. Much of the sports management literature had been restricted to studies of physical education or athletic programmes, with limited focus on professional sports organisations (Slack 1996; Irwin *et al.*, 1999). A review of the literature has also highlighted the academic neglect of a number of sub-disciplinary areas, including

marketing (Olafson, 1990; Evans *et al.*, 1996; Slack 1998; Irwin *et al.*, 1999). Whilst there have been several relevant studies that have looked at specific marketing activities of sports organisations the majority of research is US based, quantitative in nature, and focuses on specific sub-activities within the span of marketing tasks. As yet, there has been no academic research in the area of professional sports which has considered sports marketing from an integrated or holistic perspective. Several authors have also highlighted the over-reliance on quantitative methods within sport management research at the expense of alternative, and often complimentary, qualitative methods (Olafson, 1990; Inglis, 1992; Slack, 1996; 1998).

It is clear from the industry analysis, presented in Chapter 5, that commercial management demands within the football industry are becoming increasingly complex and diverse as a result of changes within the industry, particularly in the 1990s. Analysis of industry finances shows that non-gate income, in the form of television and commercial revenue, is becoming an increasingly important part of a football club's financial equation. The formation of the FA Premier League in 1992 and its resultant stranglehold on television and commercial revenues has led to a growing financial divide within the industry. This growing divide has been driven primarily by the increasing television revenues that FA Premier League clubs have been receiving since 1992. The situation has been compounded by the effects of the Bosman ruling which has seen clubs in the lower divisions receiving less player transfer revenue from the FA FA Premier League clubs, who are purchasing players from abroad. This financial situation means that the larger clubs are likely to have a larger and more complex marketing operation than the smaller clubs. However, it also means that smaller clubs, more than ever, need to adopt a professional approach to running their off-field activities.

Historically, clubs, although operating as businesses, have been generally run on an administrative basis with little emphasis placed on generating alternative sources of income. Up until the early 1990s there was evidence to suggest that many clubs were not adopting management principles and practices commonplace in other industries within the service sector and, indeed, in US sports. Recent changes within the industry

mean that football clubs need to manage the increasing complexity of their stakeholder composition and the increasing number of non-playing employees. The extent to which clubs are successfully adapting to this increased management complexity is not clear from the existing literature and is of primary interest to this study. Of particular interest is understanding how clubs have coped with the transition from an administrative role to a management role. Analysis of football club finances highlighted considerable variability in the amount of commercial revenues generated by individual clubs, even after taking club size into account. It is suggested that one reason for this could be variability in the quality of marketing management at clubs.

For academic and practitioner reasons, there is a need for more research on the position and role of marketing within professional sports organisations. Most academic writings in the area have concentrated on specific sub-activities within the span of sports marketing. There have been no studies that have considered all the elements involved in an in-depth integrated way. It was therefore the specific purpose of this study to look at the total span of marketing tasks in English professional football clubs.

In light of the research gaps identified from the literature review this research study aims to make a contribution to the literature in two key areas. Firstly, to provide an empirical insight into the full span of marketing activities within professional sports organisations and, secondly, to provide greater understanding of the necessary programs for building market orientation within organisations. In both these areas the research aims to combine both quantitative and qualitative data collection methods in order to provide an in-depth holistic examination of the issues.

### **6.3 Research Objectives**

The research gaps identified above highlight the need for an empirical study into the position and role of marketing in English professional football clubs. More specifically the primary research aims:



- to reveal the extent to which marketing principles and practices have been accepted and implemented by football clubs;
  - to provide a multi-dimensional account of marketing practices within football clubs;
  - to explore the possibilities and problems of clubs moving from a traditional (administrative) orientation to a managerial (or market) orientation;
- and
- to examine the organisational factors which are related to developing and supporting a market orientation.

This research study is largely of an exploratory nature and therefore no central hypothesis was devised. The secondary research does however allow for intuitive hypotheses to be made. Swartz and Boaden (1997) suggest that such intuitive notions about social phenomena often form the part of the practice of researchers. The study was therefore articulated around a number of exploratory hypotheses derived from the existing conceptual literature and the results of previous empirical studies of marketing within organisations. It was hypothesised that: 1. The implementation of the marketing concept within football clubs would be limited; 2. Formal organisation for marketing within clubs would be related to club size; and 3. The level of marketing sophistication will vary between clubs of similar size.

#### **6.4 Research Design**

The research design represents the 'blueprint' or plan which guides the data collection and analysis stages of the research project (Yin, 1994). Research designs can be classified into three types; conclusive, performance monitoring, and exploratory (Kinnear and Taylor, 1996). This study is exploratory in nature. The purpose of exploratory research is to obtain a better understanding of an issue, is often characterised by flexibility, and can include wide-ranging methods.

For many years qualitative and quantitative research have been seen as methodological rivals (Creswell, 1994; Milliken, 2000). Several authors have argued that it is time for the advocates of both research methods to declare a rhetorical cease-fire (Hunt, 1994;

Nancarrow *et al.*, 1996). Allen-Meares (1995) suggests that the tug-of-war between the qualitative and quantitative paradigms provides an indication that a third integrated configuration is needed. Indeed there is a distinct tradition in the literature on social science research methods that advocates the use of multiple research methods.

#### **6.4.1 Methodological Triangulation – A Staged Approach**

The call for the use of multiple research methods was initially proposed by Campbell and Fiske (1959), who developed the concept of ‘multiple operationism’. This form of research strategy is also described as one of convergent methodology, multimethod/multitrait, complimentary-purpose, or triangulation (Snow and Thomas, 1994). Denzin (1978:291) defines the triangulation approach as, “...the combination of methodologies in the study of the same phenomenon”. There are several good reasons for using several different methods in the same study. Jick (1979:603) argues that one of the main benefits of using methodological triangulation is that it, “...captures a more complete, holistic and contextual portrayal of the units under study”. Easterby-Smith *et al.* (1991) suggest that this approach prevents the research from becoming method bound, pointing out that almost every research method is flawed in some way or another and therefore the weakness in each single method can be compensated by the counterbalancing strengths of another. Similarly, Swartz and Boarden (1997:61) argue that the key strength of adopting a between-methods approach is “...that it allows the benefits of the individual methods to be reinforced whilst the weaknesses are to a large extent cancelled out”. Greene *et al.* (1989, cited in Creswell, 1994) propose five purposes for combining qualitative and quantitative methods in a single study:

- Triangulation in the classic sense of seeking convergence of results
- Complimentary, in that overlapping and different facets of a phenomenon may emerge
- Initiation, wherein contradictions and fresh perspectives emerge
- Expansion, wherein the mixed method add scope and breadth to the study.
- Developmentally, wherein the first method is used sequentially to help inform the second method

The use of triangulation in a developmental context is one that has found considerable support in the literature. In particular, a number of researchers advocate the use of both qualitative and quantitative research methods across several stages of the research process when studying marketing issues within organisations (Greenley, 1983; Davis *et al.*, 1985; Gibb, 1992; Cahill, 1996; Nancarrow *et al.*, 1996; Swartz and Boarden, 1997; Siu and Kirby, 1999; Milliken, 2000). Greenley (1983) proposes that both survey research and qualitative case study methods are useful when assessing marketing issues in organisations and suggests that they should not exclude each other. Gilmore and Carson (1996) concur, arguing that the combination of research methods can provide a rich portrait of the phenomena under study. Cahill (1996) points out that neither qualitative nor quantitative methods have universal applicability and suggests that qualitative research can be used to check the plausibility of quantitative research. This is supported by Nancarrow *et al.* (1996) and Milliken (2000) who argue that in many cases qualitative research can benefit a quantitative study.

Gill and Johnson (1991) refer to the concept of “methodological pluralism” arguing that it is possible to construct a continuum of research methods that allows for differentiation between them in terms of the various logic they bring to the research project. This has been supported by several authors who argue the case for what they call a “streamed” (Davis *et al.*, 1985), “staged” (Gibb, 1992) or “stepwise” (Siu and Kirby, 1999) approach to research design. Davis *et al.* (1985) advocate a “stream of research” approach where each stage of the study is designed to build upon what has been learned in previous stages in order to make an incremental contribution to the established body of knowledge. This is supported by Gibb (1992) who suggests a staged approach in order to achieve high quality research. Siu and Kirby (1999) propose the use of a “contextual stepwise” approach for examining marketing within small firms. Their study uses a combination of research methods across three stages of the research process (preliminary research to explore the issue; follow-up quantitative research to identify the substantive context; and then qualitative research to provide in-depth knowledge).

In summary, there appears to be strong recommendation within the literature for a triangulated approach to research design combining quantitative and qualitative research methods across the various stages of the research process. This research therefore uses a staged research design approach in order to provide an in-depth and focused understanding of marketing within English professional football clubs. The study was specifically designed to focus upon the internal reality of the position, role and function of marketing as a management function within football clubs. In view of the holistic nature of marketing management process the research uses both quantitative and qualitative research methods in order to obtain a substantive knowledge set. Specifically two related methodologies are used to achieve the research objectives: a questionnaire based survey followed by semi-structured interviews.

The issues of validity, reliability and generalisability are essential in any research project in order for there to be confidence that the results have been collected in a methodologically sound way (Easterby-Smith *et al.*, 1991; Creswell, 1994). Table 6.1 summarises the steps that were taken to ensure that the data collected and reported in this study were valid, reliable and generalisable.

**Table 6.1 Issues of Reliability, Validity and Generalisability.**

	<b>Quantitative – Questionnaire</b>	<b>Qualitative – Interviews</b>
<b>Validity</b>	<p><i>Does the instrument measure what it is supposed to measure?</i></p> <ul style="list-style-type: none"> <li>• Analytical framework drawn from conceptual literature.</li> <li>• Questions drawn from previous studies and adapted after exploratory interviews with industry experts.</li> <li>• Questionnaire assessed by academic and industry experts.</li> </ul>	<p><i>Has the researcher gained full access to the knowledge and meanings of informants?</i></p> <ul style="list-style-type: none"> <li>• Analytical framework drawn from conceptual literature.</li> <li>• Guide questions drawn from previous studies and assessed by experts.</li> <li>• Observation and documentary data also collected.</li> <li>• Pilot case carried out.</li> </ul>
<b>Reliability</b>	<p><i>Will the measure yield the same results on different occasions?</i></p> <ul style="list-style-type: none"> <li>• Key informant respondents targeted.</li> <li>• Closed format questions .</li> <li>• Questionnaire piloted .</li> <li>• Confidentiality guaranteed.</li> <li>• Questionnaire not investigating individuals per se but organisational practices and attitudes.</li> </ul>	<p><i>Will similar observations be made by different researchers on different occasions?</i></p> <ul style="list-style-type: none"> <li>• Key informants interviewed.</li> <li>• Multi-respondents in each case.</li> <li>• Semi-structured interview format.</li> <li>• Interviews tape recorded and fully transcribed.</li> <li>• Template method of analysis used.</li> <li>• Coded matrix analysis checked by fellow academic researcher.</li> </ul>
<b>Generalisability (external validity)</b>	<p><i>What is the probability that patterns observed in a sample will also be present in the wider population?</i></p> <ul style="list-style-type: none"> <li>• Census of population carried out.</li> <li>• Actions taken to achieve high response rate (League endorsement, pre-publicity, personalised covering letter, confidentiality, copy of findings, postage paid, follow-up calls).</li> </ul>	<p><i>How likely is it that ideas generated in one setting will also apply in other settings?</i></p> <ul style="list-style-type: none"> <li>• Multi-case approach taken</li> <li>• Cross section of clubs selected on a range of criteria.</li> </ul>

Adapted from : Easterby-Smith *et al.* (1991:41)

#### **6.4.2 Stage 1 – Exploratory Interviews**

In view of the dearth of research on marketing practices within professional sports organisations, the primary investigation started with preliminary qualitative research designed:

- to explore the general issues surrounding marketing practices within the football clubs;
- and
- to develop and validate the framework of analysis to be used in the study.

Several preliminary interviews were held with marketing personnel at the Football League and at Leicester City FC in 1996/7. A number of visits were made to the Football League's commercial headquarters in London where meetings were held with both of the senior commercial executives of the Football League. Discussions with these executives were useful for two reasons. Firstly the executives had previous commercial experience at club level and secondly, their current role involved liaising with commercial managers on an ongoing basis and as a result they were able to provide valuable insights into marketing practices at club level. Whilst the FA Premier League authorities were willing to endorse the study their executives were not willing to provide any further input into the study.

Preliminary interviews and discussions were also held with marketing and commercial personnel at Leicester City FC. Leicester City was chosen for two reasons. Firstly they were a club whose commercial operations had grown substantially in the 1990s and the management team were therefore able to talk about football club commercial operations from both a small and large scale perspective. Secondly the club's proximity to the University allowed for several visits to be made to the stadium. The discussions focused primarily on the various functions and commercial activities within the club.

### **6.4.3 Stage 2 – Survey**

#### **6.4.3.1 Objectives**

The overall aim of this stage of the investigation is to address certain elements that are measurable in order to investigate the extent to which the marketing concept has been adopted and implemented within football clubs. The specific objectives of this stage of the research study are:

- to provide a clearer, more systematic/quantitative representation of the marketing practices of professional football clubs;
- to examine attitudes towards, organisation for, and execution of, marketing effort;
- and
- to reveal the extent to which marketing principles and practices have been accepted and implemented by football clubs.

#### **6.4.3.2 Questionnaire Design**

The survey was directed at addressing the more tangible elements of the marketing paradigm. A questionnaire was developed from a review of the academic literature and preliminary consultation with marketing executives within the football industry outlined above. The questions were initially compiled from the key concepts within the general marketing and sports marketing literature as identified in chapters 3 and 4 and structured around the widely accepted 7-S analytical framework. Further inspiration for style and particular questions was gained from previous questionnaires used in similar studies of marketing within sports organisations (Branvold and Bowers, 1992; Hansen and Gauthier, 1992; Mawson and Coan, 1994; Stevens *et al.*, 1995; Evans *et al.*, 1996) and studies of marketing within other industries (Hooley *et al.*, 1984; Hooley *et al.*, 1990; Morgan, 1990a; Morgan, 1990b; Brooksbank, 1991; Morgan and Morgan, 1991; Thwaites and Lynch, 1992; Coopers and Lybrand, 1994; Yisa *et al.*, 1995; Rafiq and Pallet, 1996). Due to the complexity of the issues involved, a range of question styles and formats were used to elicit the information required. For example, for a number of

questions respondents were asked to indicate their strength of agreement with or the importance of specific marketing issues on a Likert-type scale. In order to avoid vague and incomplete answers all questions were closed format.

The questionnaire asked the respondents to describe the form and function of the marketing within their clubs in terms of:

- Club attitudes towards marketing
- Organisation for marketing
- Staffing and skills resources
- Marketing planning and information systems
- Marketing objectives
- Marketing strategies
- Views of the League

Several questions were included in the survey at the behest of the League authorities as part of the agreement to gain their endorsement. Whilst these questions added to the length of the questionnaire it was felt that the Leagues' endorsement and promotional support would have a positive influence on the response rate given the number of survey requests clubs get from students each year.

#### **6.4.3.3 Piloting**

Prior to piloting, the questionnaire was assessed by both academic and industry experts. Content validity involves a subjective judgement by experts as to the appropriateness to the measurement and is a common method used in marketing research to determine the validity of measurements (Kinnear and Taylor, 1996). Several academics within the field, including the senior examiner of the Market Research Society, were asked to comment on the validity of the measurement construct in relation to the research objectives. In addition to academic expert assessment the pilot questionnaire was also assessed by the commercial executives at the Football League, Leicester City FC and by the Chairman of the Commercial Managers Association. Expert assessment resulted in



some re-wording and changes in question style as well as some additions and deletions from the original questionnaire.

To further test the questionnaire for clarity and relevance, a pilot survey was carried out. The pilot sample included senior commercial personnel from four clubs, one from each division, who were of varying size. The questionnaires were mailed out to the respondents who were asked to make a copy of their completed questionnaire before returning. Follow-up telephone interviews were made with the respondents after completion to discuss the questionnaire content. The questionnaires had been completed with no obvious gaps, and only minor modifications were needed to the questions after piloting before the final mailing. A copy of the questionnaire can be seen in Appendix 6.1.

#### **6.4.3.4 Sample Frame**

Due to the relatively small number of clubs within the industry it was decided to target the total population, that is all 92 clubs. The survey was therefore, in fact, a census of the industry population. The key informant approach was used for the survey respondent selection. This approach to sampling seeks to obtain an objective account of an observed organisational feature (Gilchrist and Williams, 1994; Burton, 2000). Given the exploratory nature of this research, it is important that the responses obtained reflect, as much as possible, senior marketing and commercial management's perception of the research topic. Using League club databases, the questionnaires and covering letters were personally addressed to the chief marketing or commercial executives within the football clubs who would be in the best position to provide authentic judgement on the questions asked.

#### **6.4.3.5 Data Collection**

There are essentially three options available for administering the questionnaire, either by personal interview, telephone interview, or via the mail (Mcdaniel and Gates, 1993). The decision was made to administer the questionnaire by mail for several reasons. The advantages of using self-administered mail questionnaires are that they enable the

coverage of the population at a reasonable time and cost and provide relatively easy access to geographically dispersed respondents. Additionally, respondents can complete the survey at their convenience, can retain anonymity if they wish and can consider their responses to the questions (Burton, 2000). The questionnaire was therefore mailed to the chief marketing and commercial executives of all 92 clubs at the end of the 1996/97 season.

#### **6.4.3.6 Response**

To help achieve a favourable response rate a number of techniques were used as identified in the literature (Jobber, 1986; Harvey, 1987; de Chernatony, 1990; Diamantopoulos and Schlegelmilch, 1996):

- A personalised covering letter accompanied the questionnaire highlighting the importance of the research;
- Confidentiality was guaranteed and a copy of the aggregated findings was offered to each respondent;
- The questionnaire design adopted a closed format where possible with multiple choice questions;
- The questionnaire was professionally produced;
- A stamped addressed reply envelope was provided; and
- A follow up phone call was made after 3 weeks to non-respondents and second wave of questionnaires was sent out where required.

In addition to these measures, endorsement for the survey was gained from the both The Football League and The FA Premier League and the questionnaire mailing was preceded by an internal publicity announcement sent out to the clubs by the respective Leagues (See Appendix 6.2).

70 usable replies were received which represents a response rate of 76% of the total industry population. Further analysis, presented in Appendix 6.3, shows that the respondent clubs account for 85% of industry revenue. 67 of the replies were filled in

by senior management with 3 replies being completed by temporary marketing and commercial executives due to positional vacancies. Club responses are classified by their divisional status and club size for the 96/97 season in Tables 6.2 and 6.3. Given the high response rate and the fact that the total population was sampled, it is reasonable to assert that the findings provide a representative measure of the current position.

**Table 6.2 Survey Response Rate by Division**

	<b>Premier</b>	<b>Division 1</b>	<b>Division 2</b>	<b>Division 3</b>	<b>Total</b>
No. Clubs	20	24	24	24	92
Replies	15	21	19	15	70
% Response	75%	88%	79%	63%	76%

**Table 6.3 Survey Response Rate by Club Size**

	<b>Large</b>	<b>Medium</b>	<b>Small</b>	<b>Total</b>
No. Clubs	19	22	51	92
Replies	15	19	36	70
% Response	79%	86%	71%	76%

\*Club size determined by average gate (Large >20,000, Medium 10,000–20,000, Small <10,000. (see Chapter 5 for rationale and justification)

#### **6.4.3.7 Data Analysis**

Returned questionnaires were analysed using the *SPSS* statistical software package, generating tables of frequencies and the mean of descriptive responses. Crosstabulations were executed in order to determine any relevant associations between the size of clubs and other variables. The depth of inferential statistical analysis was restricted due to the nature of the data collected; the size of the population and the form of the questions meant that there were insufficient numbers to test for statistical significance. It is, however, reasonable to assert that there is a high degree of confidence in any conclusions drawn from the tables of frequencies, and means of descriptive responses,

as the questionnaire achieved a response rate of 76% of the total population. The following chapter (Chapter 7) presents the key findings and comments on differences between clubs of different size where appropriate.

#### **6.4.4 Stage 3 - Interviews/Case Evidence**

In order to validate the findings from the previous stages of the study, and to add more depth and clarity to the data, a series of cases were undertaken. The qualitative research focuses upon the process of football club marketing, with particular emphasis upon how and why clubs have specific resources and activities in place for this purpose. Quantitative surveys often suffer from a lack of good descriptive information of the type which brings information to life (Cahill, 1996). This complementary qualitative approach provides insight and substance that the quantitative study cannot provide.

##### **6.4.4.1 Objectives**

The overall aim of this stage of the research study was to gain a greater depth of knowledge of marketing practices within football clubs. The specific objectives of this stage of the research study were:

- to use interview/case evidence as a vehicle for triangulation;
  - to further reveal the extent to which marketing principles and practices have been accepted and implemented by football clubs;
  - to gain a greater insight and understanding into how and why clubs carry out their marketing activities;
  - to explore the possibilities and problems of clubs moving from a traditional administrative orientation to a managerial or market orientation;
- and
- to examine the organisational factors which are related to developing and supporting a market orientation.

#### 6.4.4.2 Interview design

Interviews enable discussions of complex topics and thus provide rich and complete data (Easterby-Smith *et al.*, 1991). A live interview situation creates opportunities for managers to offer further verbal insights into tier organisational processes (Tiu Wright, 1996). Due to the nature of the research objectives and the availability of previous research and conceptual literature, semi-structured interviews were deemed to be more appropriate than unstructured or non-directed interviews. Semi-structured interviews allow for the pursuit of in-depth knowledge with each respondent while still permitting coverage of similar concepts across informants (Crabtree and Miller, 1992). The semi-structured interview also permits flexibility in discussion and elaboration on points of particular relevance (Siu and Kirby, 1999).

As with the questionnaire design, the semi-structured interview question design was based around the 7-S conceptual framework. A number of authors have extolled the virtues of the 7-S model as analytical framework for both marketing practitioners and academics (See Chapter 3 for further discussion). The 7-S framework can be used to review what is required in an effective marketing oriented organisation. The move toward a marketing orientation must therefore be supported by a set of shared values, systems, management style, organisational structure, sets of skills, and staffing. The framework simplifies the various aspects of the organisation, being an analytical tool to help make sense of the complexity of organisations, and has the advantage of parsimony as the efficiency factors are encompassed under only seven headings which are meaningful to managers.

Each of the broad areas from the 7-S framework were disaggregated into individual components. These components were derived from the marketing and sports marketing literature. Specific questions were derived from the marketing audit literature which provides check-lists of specific questions for studies of this nature (Kotler *et al.*, 1989; Berry *et al.*, 1991; Wilson, 1992; Brownlie, 1993; Parkinson *et al.*, 1995;1997).

#### **6.4.4.3 Sample frame**

When considering which clubs were to be involved in this stage of the research it was decided that purposive sampling rather than random sampling would be the most appropriate method of selecting case-clubs 'rich' in data pertinent to understanding the research problem (Creswell, 1994; Marshall and Rossman, 1995; Tiu Wright, 1996; Shaw, 1999). As Creswell (1994:148) points out, "The idea of qualitative research is to purposefully select informants (or documents or visual material) that will best answer the research question". Criterion sampling tactics (Patton, 1987) were used to ensure that the participating clubs would provide a richness of data relevant to the research objectives. A number of criteria were used to select the participating clubs: average gate, divisional status, geographical location, commercial revenue and ownership structure. Additionally, telephone discussions were held with industry experts from the Football League, the FA Premier League, the Commercial Managers Association and Deloitte & Touche before finalising the list. These experts were asked to identify clubs that they felt would provide 'rich' data on particular aspects of football club marketing.

The depth and richness of the findings of qualitative research compared to the breadth of data provided by quantitative methods do not lend themselves to a statistically representative sample (Stroh, 2000). When deciding upon the number of clubs to visit, it was important that the combination of clubs sampled would provide as comprehensive overview as possible within the given time and cost constraints, and that the amount of data generated would be manageable. With purposive sampling the number of participating cases is determined by the extent to which the collection of data from an additional case would further contribute to the understanding of the problem (Shaw, 1999). 14 clubs were initially selected for this stage of the research. After completion of the research it was felt that, due to the amount and richness of the data collected, additional cases would not be necessary. The fourteen clubs represent 14% of the total industry population, which, in qualitative sampling terms, represents a relatively large sample frame. The breakdown of the participating clubs is shown in Table 6.4 below.

**Table 6.4 Qualitative Sample Frame**

<b>Club size measured in terms of average gate</b>		
Large clubs (20,000+)		5 clubs
Medium clubs (10,000-19,999)		5 clubs
Small clubs (1,000-9,999)		4 clubs
<b>Divisional status</b>		
FA Premier League		4 clubs
Division 1		5 clubs
Division 2		3 clubs
Division 3		2 clubs
<b>Geographical location</b>		
South West		3 clubs
South East		2 clubs
Midlands		4 clubs
North West		3 clubs
North East		2 clubs
<b>Commercial income per spectator* (turnover less gate, TV, and league payment revenues)</b>		
High income	(>£250 per spectator)	5 clubs
Medium income	(£100-£250 per spectator)	6 clubs
Low income	(<£100 per spectator)	3 clubs
*Based on average gate		
<b>Ownership structure</b>		
Private ownership		10 clubs
Public ownership		4 clubs

#### 6.4.4.4 Pilot Case

Yin (1994) recommends carrying out some form of pilot study when carrying out case research in order to assist the researcher in developing relevant lines of questions and to build the general confidence of the researcher. He suggests that, in general, convenience, access, and geographical proximity can be the main criteria for selecting the pilot case. All of the industry experts canvassed in the sample selection process had identified Leicester City as a club that had a relatively sophisticated commercial operation. This view was supported from coverage in the trade magazines and the local press. Due to the proximity of the club to the University, and the contacts that had been

built up over several years, Leicester City were therefore deemed to be an appropriate club to use for the pilot case. A total of twelve interviews were arranged with senior commercial personnel from all aspects of the business over a one week period in early June 1998. A full list of interviewees can be seen in Appendix 6.4. Whilst it was never intended to replicate this number of interviews at the other 13 participating clubs, the breadth and depth of data collected at Leicester City provided an invaluable understanding of the various functions and tasks within the commercial operations of a football club. The respondents were also able to provide insight into the workings of other clubs based on their previous work experiences and, or, personal dealings with other club executives.

#### **6.4.4.5 Data collection**

Comprehensive preparation is key to successful interviewing. Hart (1989) and Mitchell (1993) provide useful advice for industrial interview preparation which helped prepare the groundwork for the visits to the selected clubs. Initially, the senior marketing or commercial managers at each of the selected clubs were sent a letter of approach explaining the purpose of the research and the likely nature of the data collection (See Appendix 6.5). Follow-up telephone calls were made to ascertain willingness to participate and to make provisional arrangements for the visits. The initial plan was to schedule the visits in between June and August 1998 at the end of the 1997/1998 season. The visits to the clubs were conducted at the respondent's convenience in order to engender maximum positive feeling and responsiveness (Mitchell, 1993). It was recognised that, as senior personnel were being interviewed, there was likely to be requests for re-scheduling so it was important to build some slack into the programme of visits (Hart, 1989). After allowing for some re-scheduling all visits were completed by the end of September 1998.

Prior to each visit, an agenda was sent out to the senior member of staff responsible for organising the visit (See Appendix 6.6). Background research was carried out on each club to facilitate familiarisation. This included accessing the club's web-site (where available), analysing financial data and coverage in the press. Mitchell (1989) suggests



that dressing in clothes that are in keeping with those of the respondents can help to increase empathy. With this in mind a suit and tie was worn to all visits.

At each participating club, semi-structured interviews were held with key informants (Gilchrist and Williams, 1994; Burton, 2000) including the CEO or managing director, senior marketing/commercial manager, and executives responsible for specific marketing/commercial activities (where relevant). The use of multiple respondents allows for data triangulation through comparison of the various interviewees' responses on certain issues. A list of interviewees at each club can be found in Appendix 6.7. The respondents were given advance notice of the general structure of the interview in order to familiarise themselves with the issues. All interviewees were assured of their anonymity at the outset of the interview. The semi-structured interviews ranged in length from 1 hour to 3 hours. The questions followed an interview guide format (See Appendix 6.8) with appropriate probes used to encourage informal conversation. In all the interviews the main concepts of the 7-S framework were explored, where time permitted, although the wording and ordering of questions remained flexible. An example of an interview transcript can be found in Appendix 6.9. It is worth noting that the major unit of analysis in the study is the organisation, such that information sought from managers focused on organisational issues rather than addressing those of the individual managers or line staff (Yin, 1993).

All interviews were recorded with the permission of the interviewee. Respondents were advised that, should they wish to disclose anything sensitive, the machine could be switched off at any time. The use of the tape recorder ensures error-free data capture and relieves the interviewer of the simultaneous tasks of listening, writing and checking questioning procedures and ordering (Hart, 1989; Mitchell, 1993). Hart (1989:26) suggests that by using a tape recorder, "...a genuine exchange can take place, rapport can be built up, and the accuracy of complete transcriptions for analysis is obtained". A dictaphone was used during the tour of the stadium facilities and offices.

The use of multiple sources of evidence as a means of triangulation is advocated by qualitative researchers (Silverman, 1993, Yin, 1994). The club visits therefore involved

two other methods of data collection, in addition to the interviews, namely, observation and documentary evidence. A guided tour was made around each of the grounds, facilities and offices in order to become familiar with the physical infrastructure of the football club concerned. In addition, the following documentation was requested prior to each visit and collected where available: organisation charts, marketing plans, market research reports, financial reports, promotional literature, press coverage, and publications. After each visit, observational notes were made as recommended by Creswell (1994) which included information on the facilities and general reflections on the visit.

#### **6.4.4.6 Data analysis**

Qualitative research often results in large amounts of textual material that needs to be analysed and interpreted using an appropriate organising style (Crabtree and Miller, 1992). Creswell (1994) notes that data analysis requires the researcher to develop categories and make comparisons and contrasts. He contends that there is no “right way” to carry out data analysis but suggests that several points should guide the development of the analysis of qualitative data:

- There should be an indication of how the process of analysis will be based on data reduction and interpretation
- The coding procedure for reducing the information to themes or categories should be identified.
- There should be a mention of a plan for representing the information in matrices.

The data was therefore analysed with these points in mind and the detail of the plan of analysis follows.

Crabtree and Miller (1992) identify two main approaches to the process of analysis of qualitative data; the immersion and crystallisation approach, and the template approach. The immersion and crystallisation approach requires the researchers to immerse

themselves in the data over a prolonged period of time and produce results through analytical reflection. This approach is appropriate for data produced from unstructured interviews where there is little prior research or theoretical perspective to structure the interviews (Easterby-Smith *et al.*, 1991). The grounded theory analysis approach, pioneered by Glaser and Strauss (1967) and developed by Turner (1983), is the best known example of this approach. In contrast, the template approach involves analysing the text through a “codebook” which consists of a number of categories or themes relevant to the research objectives. This organising style enables the coding of large volumes of text so that relevant segments can be assembled in one place to complete the interpretative process. Crabtree and Miller (1992) point out that the use of the template method greatly facilitates the corroborating/legitimizing phase of the analysis by providing a clear and evident trail of analysis and interpretation. This analytical approach is particularly appropriate for semi-structured interview data where the areas of focus for the field-work are guided by prior research or conceptual frameworks (Miles and Huberman, 1994; Easterby-Smith *et al.*, 1991; Crabtree and Miller, 1992). Whilst conceptual frameworks are used as boundary devices in this type of analysis they need not work as strait jackets (Miles and Huberman, 1994) and can be revised to make them more precise as the research progresses (Easterby-Smith *et al.*, 1991). Given that the interviews were semi-structured in format and focused around the 7-S conceptual framework, the template approach was considered to be the most appropriate method of data analysis for this study.

Initially, all interviews were transcribed verbatim using *Dragon Naturally Speaking* voice recognition software. Whilst this proved to be an extremely time consuming task it allowed for the researcher to refresh the memory and also provided an opportunity for immersion, analysis and reflection on each interview prior to coding (Easterby-Smith, 1991).

Crabtree and Miller (1992:166) suggest that the template analysis process should involve (a) creating a code manual or coding scheme, (b) hand or computer coding the text, (c) sorting segments to get all similar text into one place, and (d) reading the segments and making the connections that are subsequently corroborated and

legitimised. They point out that the coding scheme provides a data management tool which "...is used to organise segments of similar or related text for ease interpretation and to search for confirming/disconfirming evidence of these interpretations" (p.167). The preliminary coding scheme was based on the 7-S conceptual framework drawn from literature with sub-codes determined for each of the seven categories. The next stage of analysis involved coding the text. Initially the interviews were printed off in hard copy and each question and answer was coded by hand in the margins of the transcript as recommended by Miles and Huberman (1994). Given the nature of the interviews, a number of answers often referred to more than one aspect of the 7-S framework and these were therefore given more than one code. Following the manual coding, the interviews were coded using computer software. The interviews had been transcribed directly into a table format within the *Microsoft Word* processing software package. Each question and answer was given individual a separate row within the table, to allow for later coding and sorting.

The data from each interview was then sorted by individual codes and displayed with the use of matrices. This use of matrices for display is strongly recommended in the literature as it facilitates the viewing of coded segments of text from different respondents/cases next to each other. This in turn facilitates the discovery of emerging patterns, relationships, themes or connections (Miles and Huberman, 1994; Easterby-Smith *et al.*, 1991; Crabtree and Miller, 1992). The decision was made to analyse and present the qualitative data in an aggregate or issue-by-issue format as opposed to the case format (Hart, 1989). The aggregate approach is appropriate for multi-site, multi-case designs where there are a large number of topics relevant to the analysis and where there is a need to verify that the events and behaviour are not merely the result of one particular setting (Miles and Huberman, 1994; Hart, 1989). In order to allow for meaningful contrast and comparison, and greater generalisation of the data, matrices were therefore drawn up for large, medium and small clubs for each coded aspect of the 7-S framework. An example of the matrices produced can be seen in Appendix 6.10. In order to further test the analysis for reliability, the matrices were made accessible to a fellow academic researcher at the University to check the accuracy of the codings.

## **6.5 Analysis and Presentation of Data**

In order to allow for meaningful contrast and comparison, and greater generalisation of data, the decision was taken to further analyse the qualitative and quantitative findings by club size. There were a several reasons for this. Firstly, the results from empirical studies into marketing within other UK industries suggests that the formalisation and sophistication of marketing is related to the size of the organisation (Morgan, 1990a; Morgan and Morgan, 1991; Thwaites and Lynch 1992; Lui, 1995; Parkinson, 1995). Furthermore, a cognizance of size derived from quantitative analysis aids the interpretation of data in the qualitative data. The mixed methods and mixed empiricism are fully justified in giving rise to rich findings.

Secondly, analysis of the recent football industry literature, presented in Chapter 5, suggests that within the industry there are distinct differences between clubs of different size in terms of their stakeholder composition, the markets they serve and hence the scale and complexity of their off-field operations. Again, the discerning researcher has to be aware of the current and historical contexts in which clubs reside, operate and make decisions. Finally, a number of discussions were held with industry experts from the Football League, the FA Premier League, the Commercial Managers Association and Deloitte Touche prior to carrying out the primary research. The general consensus was that the nature and scale of the clubs commercial operations varied between the League divisions and hence clubs of different sizes.

One possible alternative for the data presentation might have been to analyse the data in terms of the club's commercial performance i.e. commercial income per-spectator. However, this was discounted for two reasons. Firstly, and most importantly, the objective of this study is not to examine the relationship between marketing practices and marketing performance. The primary purpose of the empirical research is to identify the position and role of marketing within football clubs and to explore the possibilities and problems of clubs moving towards a market orientation. Secondly, it is recognised that any attempt to examine the contribution of marketing to business performance is fraught with both conceptual and practical problems that are not germane to the remit and objectives of this study. The difficulty of assessing performance and in particular

the contribution made by marketing is well documented in the literature (Chakravarthy, 1986; Hooley et al., 1990; Eccles, 1991; Doyle, 1992; Thwaites and Lynch 1992; Mitchell, 1995; Ambler and Kokkinaki, 1997). Whilst one would certainly expect the quality of marketing to have an influence on a football club's commercial turnover, this measure is also likely to be a function of several other interrelated factors such as team success, stadium facilities, diversification and the extent of competition. Another problem with using this performance measure as a means for analysis is that football club's commercial turnover figures are one to two years out of date when published.

A wide range of performance metrics are proposed in the literature including 'hard' measures such as turnover and profit contribution and 'soft' measures such as customer satisfaction and loyalty. A literature search of five leading marketing journals by Ambler and Kokkinaki (1997) yielded no less than 19 different measures of marketing 'success'. Interestingly, the measurement of marketing performance has received growing attention from both academics and practitioners in recent years (Clark, 1999; Marketing Science Institute, 2000; Ambler and Puntoni 2003; Chartered Institute of Marketing 2003). The general consensus within this literature is that a combination of hard and soft metrics should be used to measure the contribution of marketing. Consequently, the multivariate nature of marketing performance justifiably requires a dedicated study beyond the current examination of marketing practices in professional football clubs.

## **6.6 Summary**

For academic and practitioner reasons, there is need for research into the position and role of marketing within professional football clubs. A number of primary research objectives have been identified and several exploratory hypotheses have been derived from the literature review. The use of triangulation in a developmental context is one that has found considerable support in the management literature. In particular, a number of researchers advocate the use of a staged approach research design when examining marketing within organisations. A three staged research design is therefore proposed, using a mix of qualitative and quantitative data collection methods, in order

to provide an in-depth examination of the relevant issues. The 7-S framework is operationalised at both the quantitative and the qualitative stage of the research process, providing an over-arching and integrative measurement instrument. A number of steps have been taken, throughout the research design and implementation, to ensure that the data collected and reported is valid, reliable and generalisable.

The following chapter presents the detailed findings and analysis from both stages of the primary research.

# **CHAPTER 7**

## **RESULTS & ANALYSIS**



## **CHAPTER 7: RESULTS & ANALYSIS**

### **7.1 Introduction**

This chapter presents the results from the quantitative and qualitative research. The findings are structured around the 7-S framework and examine the following aspects of marketing within football clubs: structure; staff and skills; systems; shared values and style; and strategies. Finally, the chapter considers the findings on the role and impact of the League authorities from a marketing perspective.

Within the qualitative findings, specific clubs are identified according to their size (based on average gate). For instance;

- Large clubs are coded L1, L2, L3 L4 and L5
- Medium clubs are coded M1, M2, M3, M4 and M5
- Small clubs are coded S1, S2, S3 and S4

The source of quotations is identified according to the respondent's job title and the size of the club. For example, 'CEO, M' refers to the Chief Executive Officer of a medium-sized club.

### **7.2 Structure**

An organisation's structure is purely a caricature of the roles, responsibilities and reporting lines of employees within a football club. They convey the formal structure rather than the manner and rationale for the interaction between managers and departments. This section examines the club's organisational structure, its impact on marketing and commercial activities. In particular it considers the following issues: responsibilities; reporting systems; and co-operation and co-ordination mechanisms.

### 7.2.1 Organisational Structure

Questionnaire respondents were asked to describe how the club organises their marketing and commercial activities. The results presented in Table 7.1 show that over three quarters of clubs (75%) have established a formal marketing or commercial department. There are no notable differences between club size.

**Table 7.1 Organisation of Marketing/Commercial Activities.**

		Club Size			Total
		Large	Medium	Small	
Marketing dept.	Count	4	5	6	15
	% within Club Size	27%	26%	17%	21%
Commercial dept.	Count	8	9	21	38
	% within Club Size	53%	47%	58%	54%
Sales dept.	Count	1	2	2	5
	% within Club Size	7%	11%	6%	7%
One or more people	Count	2	3	5	10
	% within Club Size	13%	16%	14%	14%
Other	Count			2	2
	% within Club Size			6%	3%
Total	Count	15	19	36	70
	% within Club Size	100%	100%	100%	100%

Table 7.2 shows the average number of full time commercial and marketing employees at clubs of different size. The high measures of standard deviation suggests there is considerable variability within clubs of the same size. Table 7.3 shows that two thirds (66%) of small clubs have 3 or less full-time marketing/commercial employees.

**Table 7.2 Number of Full-time Marketing/Commercial Employees (mid-point average).**

f.t. marketing/commercial employees				
	Club Size			
	Large	Medium	Small	Total
Mean	21	15	6	12
Std. Deviation	20	20	11	17

**Table 7.3 Number of Full-time Marketing/Commercial Employees.**

		Club Size			Total
		Large	Medium	Small	
1	Count		1	4	5
	% within Club Size		5%	11%	7%
2	Count	1	2	12	15
	% within Club Size	7%	11%	33%	21%
3	Count		5	8	13
	% within Club Size		26%	22%	19%
4	Count	2	3	3	8
	% within Club Size	13%	16%	8%	11%
5	Count	2	1	3	6
	% within Club Size	13%	5%	8%	9%
6-10	Count	4	2	4	10
	% within Club Size	27%	11%	11%	14%
11-15	Count	3	4	2	9
	% within Club Size	20%	21%	6%	13%
26-30	Count	1	1		2
	% within Club Size	7%	5%		3%
35+	Count	2			2
	% within Club Size	13%			3%
Total	Count	15	19	36	70
	% within Club Size	100%	100%	100%	100%

Respondents were asked how many full-time employees their club had working in various marketing/commercial areas. Table 7.4 shows the average number of employees by club size. Not surprisingly the larger clubs tend to have a greater number employees in most areas of their commercial operations.

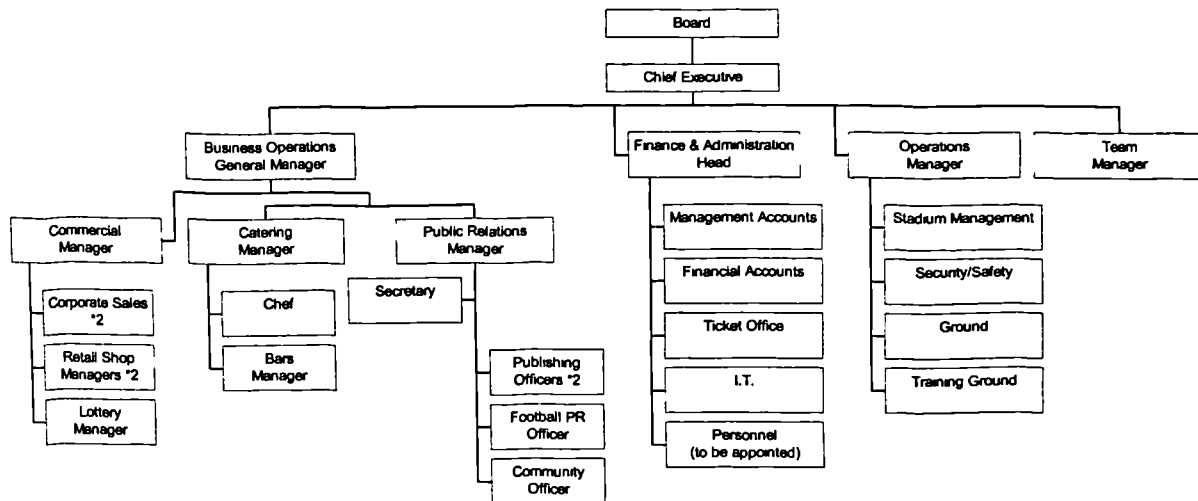
**Table 7.4 Number of Employees by Marketing/Commercial Function (mid-point average).**

		Club Size			
		Large	Medium	Small	Total
conference & banqueting	Mean	12	2	2	4
	Std. Deviation	16	1	3	9
corporate sales	Mean	4	2	1	2
	Std. Deviation	2	1	1	2
sponsorship & advertising	Mean	3	2	1	2
	Std. Deviation	2	1	1	1
membership	Mean	2	1	1	1
	Std. Deviation	3	1	1	2
retail sales	Mean	13	4	1	5
	Std. Deviation	13	4	1	8
publishing	Mean	2	0	0	1
	Std. Deviation	3	1	1	2
media/public relations	Mean	2	1	1	1
	Std. Deviation	2	1	1	1
community relations	Mean	5	2	1	2
	Std. Deviation	5	3	1	3

Within the qualitative study, only two large clubs and three medium sized clubs had an organisational chart. At the other clubs in the study a sketch of the organisational chart was drawn up with the assistance of the interviewees. Organisational charts for all fourteen clubs in the qualitative study can be found in Appendix 7.1

The large clubs have clearly had to implement new organisational structures in order to manage their increasing numbers of employees, operations and diversity. Club L1, for instance, has four support departments/functions which report to an operations director (legal, accounts, IT and personnel). The marketing and commercial activities are coordinated by a director of marketing and are divided into four areas – ticket office, business unit, branded products, and promotions, each of which has a dedicated sales executive and database coordinator. All external marketing communications such as advertising and media campaigns are the responsibility of the branded products department.

Club L3 (See Figure 7.1) has a structure consisting of four operating areas, with a general manager reporting directly to the chief executive, who in turn reports to the board. The four operating areas are team affairs, business operations, finance and administration and operations (facilities management). The general manager of business operations is responsible for commercial (corporate activities, retail and lottery), catering and public relations. Ticket office activities are separate from business operations and fall under the remit of finance & administration.



**Figure 7.1 Club L3's Organisational Chart**

At club L2, the organisation is flatter, where the marketing/commercial department is one of nine functional areas which report directly to the board of directors. The other functional areas include publicity, catering, community, stadium, IT, accounts, club secretary, and team affairs. The marketing/commercial department is the responsibility of the commercial manager who has organised activities around four areas; merchandising, marketing, commercial, and promotions, each of which has specific personnel. Other departments may act as subcontractors for the marketing function, such as catering. Ticket office activities fall under the remit of the club secretary. Notably, club L2 is the only large club in the study not to have a chief executive or managing director with the commercial manager and other functional managers reporting to different non-executive directors.

L4 (See Figure 7.2) is a club which has experienced structural transition over the last seven years. Prior to the appointment of a marketing director in 1991, the club had a simple structure and employed a commercial manager and assistant who were responsible for activities such as advertising and sponsorship sales, match-day programme, match-day catering, the lottery, and the club shop. The club now has a commercial structure in place which has three major areas reporting to a marketing director; direct sales (corporate), conference & banqueting, and operations (consumer). Supporting these areas are marketing & communications, finance and human resources. The club intends to change the structure to have a number of autonomous divisions which have the football club as its main (but not exclusive) customer.

When I first came here (in 1991) really there was no investment in the club, and there was no motivation, there was no business plans, there was no proper management structure, there was no looking after the staff and developing personnel. The whole thing was just antiquated and archaic. Nobody knew who they reported to and what I wanted to do was to adopt a business approach. A management structure had to be put in place, against the wishes of people internally who did not want it, because it meant that they had to be accountable. A management structure, done properly, with the right reporting procedures, means people are accountable for what they do, for profit, and so on. And all those things weren't there. (Managing Director, L4)

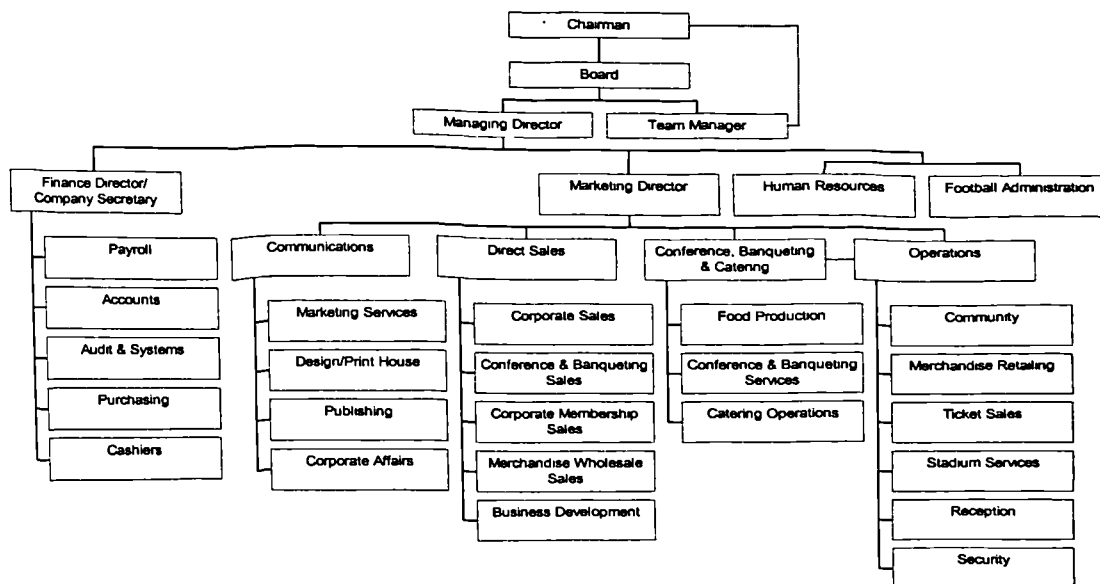
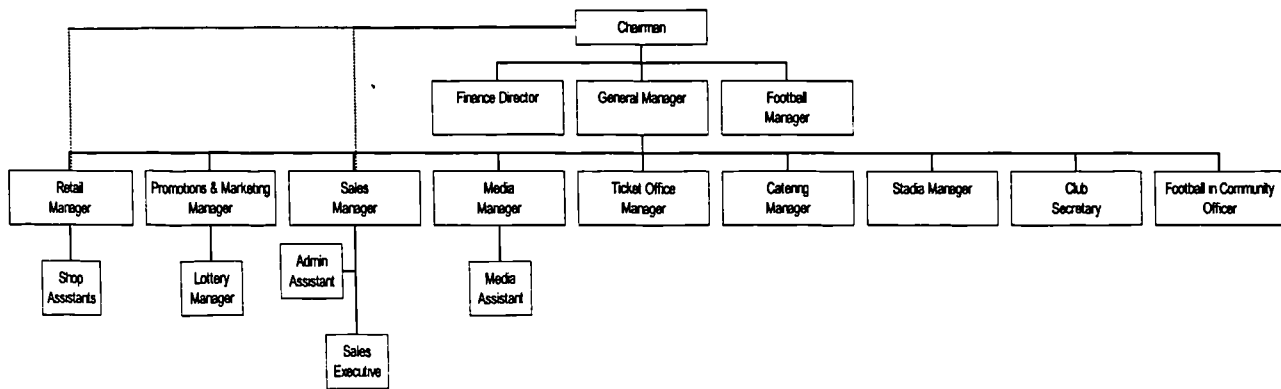


Figure 7.2 Club L4's Organisational Chart

At club L5, restructuring took place in 1998. This followed the departure of the chairman and commercial director, and the subsequent appointment of a new managing director. The previous structure was flat, with a large span of control. For instance, prior to restructuring, eight managers reported to the commercial director. Four functions have now been created; football, finance & administration, community, and commercial. In turn, the commercial function is split, along the same lines as club L4, into corporate and consumer sales in order to focus on the requirements of different customer groups. Each section has its own general manager.

The medium-sized clubs were all characterised by major structural changes as a result of recent top management appointments. As recently as 1996, club M3 (See Figure 7.3) had a simple and traditional structure of a commercial manager and an admin assistant responsible for a wide range of activities. The club has moved to a departmental structure with each non-executive director being responsible for a particular area of the business *e.g.* catering, commercial, finance, stadium *etc.* Day-to-day responsibility for operations rests with the club's general manager. The flat horizontal structure means that, in effect, nine different managers reporting to the non-executive directors or the general manager who has no commercial experience and who's background is in club administration. The club has chosen to retain catering as an in-house activity, although there has been much debate among the management in relation to the possibility of outsourcing.



**Figure 7.3 Club M3's Organisational Chart**

Over a similar period, changes in organisational structure took place at club M4. Prior to the appointment of a new CEO in 1997, managers reported directly to the Chairman. The club secretary possessed a high degree of influence whilst the commercial manager and a small team managed all commercial activities. The arrival of a new CEO led to major changes in personnel and the grouping of activities into three areas; commercial, operations, and finance & admin. The club secretary is now part-time and unpaid, catering is contracted out and marketing & commercial has been split into community, retail, hospitality, publications and lottery. The finance director manages ticketing, administration, playing affairs, and public relations whilst the operations manager deals with security, stadium, and facilities.

Before I came, everybody reported into the chairman so we had a horizontal structure. Nobody monitored anybody. Staff had no career direction, no control, no supervision and no accountability. So what I tried to do was start grouping people together that naturally fell together and then created a structure where people have seniority. I had to sell the staff the personal benefits of accountability and reporting into somebody. I have got a very vertical structure for two reasons. Firstly I want to give people autonomy and responsibility. Everyone has somebody to report into so you can delegate through a vertical structure which I don't think you can in a horizontal structure. Also I have created a career path for everybody involved in the club. I think it is essential that, within the club, everybody is looking at succession planning so they do not stagnate. People could move both vertically and horizontally. (CEO, M4)

M5 experienced similar organisational difficulties with the role of the club secretary, who was perceived as the stereotype of 'master of everything, specialist of none' and replaced the role with an administrator. The commercial side of club has been organised

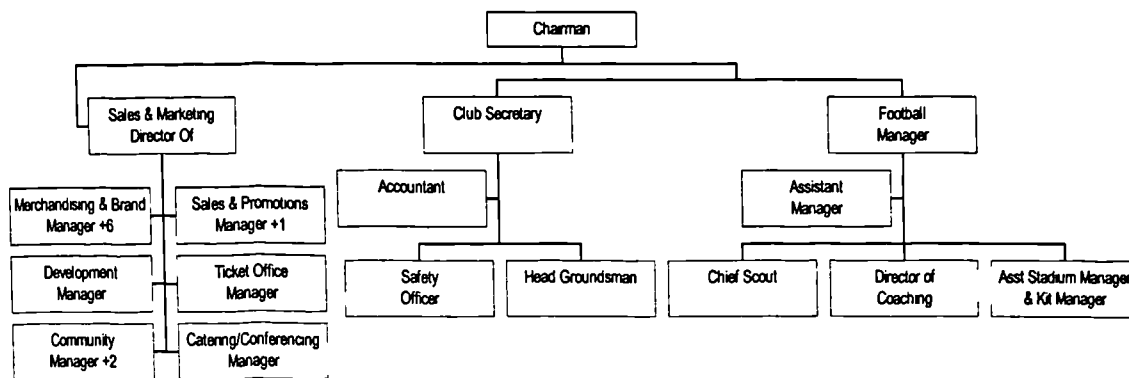


by the CEO around four areas; accounts, PR, stadium, and sales & marketing. Sales & marketing has been split into 'retail' (supporter) and corporate along similar lines to L5 and L4 and is coordinated by the sales & marketing manager.

When I joined there was myself looking after retail and someone else looking after corporate. Prior to that structure there was one person looking after both. We had a situation where I was going off in one direction and corporate manager was going off in another and there was no continuity. To me there is a natural link between the two. (Sales & Marketing Manager, M5)

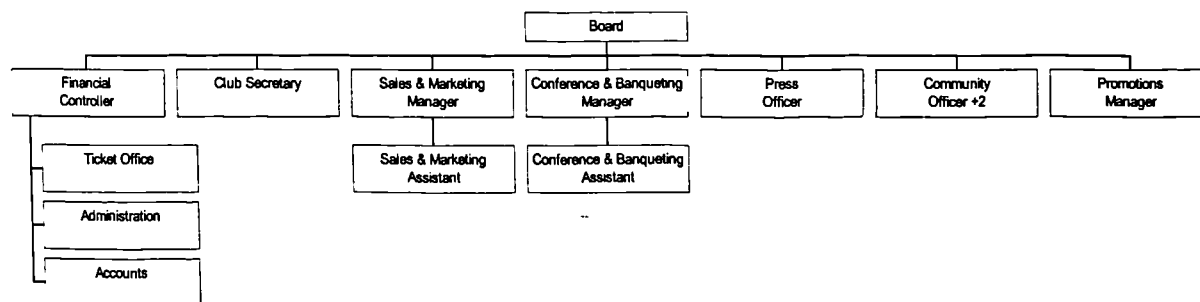
M1 is another example of a club that has undergone major restructuring after the appointment of a senior manager, in this case the managing director. The managing director currently has seven functional managers reporting directly to him. Interestingly, the club feels that its organisational structure depends on its divisional status. Were the club to regain Premiership status, it is felt that the appointment of an operations manager, to relieve the managing director of some the day-to-day supervisory responsibilities, could be justified.

Club M2 (See Figure 7.4) combines autonomy, centralisation and outsourcing within its structure. The recently appointed director of sales and marketing has organised commercial activities around six areas; merchandising, business development, community, sales and promotions, ticketing, and catering/conferencing. Publications and communications are carried out by the individual commercial areas. Public relations is undertaken by the chairman's personal assistant working closely with the director of marketing and team manager. The chairman is actively involved in proactive in PR issues for the club and a PR assistant is responsible for the club's internet site content. Whilst hospitality, catering, and merchandising are kept in-house, kiosk catering, call handling/ticket booking, programme, brochures, internet and match day entertainment are out-sourced.



**Figure 7.4 Club M2's Organisational Chart**

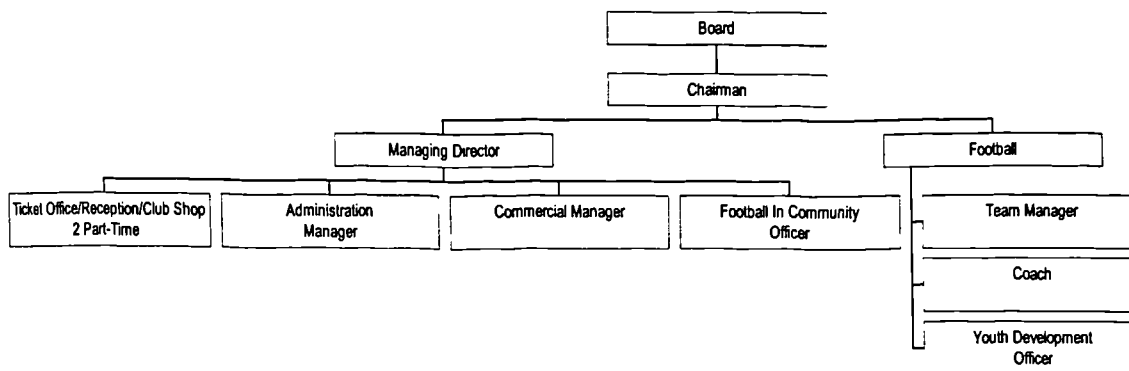
The smaller clubs have less complex structures with commercial activities being carried out by one or two people. Club S1 (See Figure 7.5) has a simple structure with four managers running the club (conference & banqueting, sales & marketing, finance, and a club secretary). At club S2, business activities are organised around 5 areas; stadium, secretarial, marketing, finance, and ticket office. Club S3 is organised around three major areas; finance & administration, commercial, and stadium.



**Figure 7.5 Club S1's Organisational Chart**

Club S4 (Figure 7.6) has divided the business side of the club into three areas; ticket office, administration, and commercial. All four clubs have, in effect, one commercial/marketing manager who has a wide range of responsibilities including;

advertising and sponsorship sales, match-day hospitality sales, match-day programme, club shop, ticket sales/promotion, catering, public relations.



**Figure 7.6 Club S4's Organisational Chart**

Only S1's sales and marketing manager has a commercial assistant although S3's commercial manager has an administrative assistant and the club have recently appointed a PR manager full-time to develop media and community initiatives. Club S2's marketing manager has an assistant who works in the club shop and is assisted by the club secretary on match-days. At club S4, the commercial manager works on his own with club shop duties performed by office staff. The commercial manager is responsible for corporate sales and the club shop. As a supplement to his managerial duties, he also undertakes postal services, drives the team mini-bus and has been inside the club mascot!

### **7.2.2 Responsibilities**

The questionnaire sought to determine the degree of centralised control that commercial and marketing management had over various activities. Respondents were asked to state

the extent to which marketing and commercial management had responsibility for a number of activities. The mean score results are presented in table 7.5.

**Table 7.5 Marketing/Commercial Management Responsibilities (mean scores).**

Average responsibility score - 1=None, 2=Some, 3=Total

		Club Size			
		Large	Medium	Small	Total
Selling advertising	Mean	2.9	2.9	2.9	2.9
	Std. Deviation	.4	.2	.4	.3
Sponsorship	Mean	2.7	3.0	2.9	2.9
	Std. Deviation	.5	.0	.3	.3
Corporate hospitality	Mean	2.8	2.9	2.8	2.9
	Std. Deviation	.4	.2	.4	.4
Direct marketing	Mean	2.7	2.6	2.8	2.7
	Std. Deviation	.5	.5	.4	.5
Advertising	Mean	2.5	2.5	2.8	2.6
	Std. Deviation	.5	.5	.5	.5
Match-day programmes	Mean	2.4	2.7	2.5	2.6
	Std. Deviation	.6	.6	.7	.6
Promotions (give-aways, prize draws)	Mean	2.3	2.6	2.5	2.5
	Std. Deviation	.6	.5	.7	.6
Marketing planning	Mean	2.5	2.6	2.4	2.5
	Std. Deviation	.5	.5	.7	.6
Merchandise	Mean	2.3	2.3	2.5	2.4
	Std. Deviation	.9	.8	.8	.8
New product/service launches	Mean	2.3	2.3	2.5	2.4
	Std. Deviation	.6	.7	.7	.6
Conference and banqueting	Mean	2.3	2.3	2.3	2.3
	Std. Deviation	.5	.8	.7	.7
Pricing	Mean	2.1	2.4	2.3	2.3
	Std. Deviation	.3	.5	.7	.6
Market research	Mean	2.3	2.2	2.2	2.2
	Std. Deviation	.6	.7	.8	.7
Marketing training	Mean	2.1	2.3	2.0	2.1
	Std. Deviation	.8	.8	.9	.8
Public/media relations	Mean	1.9	2.2	2.0	2.1
	Std. Deviation	.5	.4	.4	.5
Catering	Mean	1.9	2.0	1.9	1.9
	Std. Deviation	.7	.7	.8	.8
Club/player image	Mean	1.8	1.8	1.9	1.9
	Std. Deviation	.7	.6	.6	.6
Membership	Mean	2.0	2.1	1.7	1.9
	Std. Deviation	.7	.7	.8	.8
Ground facilities/services	Mean	1.9	1.8	1.6	1.7
	Std. Deviation	.5	.6	.6	.6
Players off-field activities	Mean	1.6	1.8	1.7	1.7
	Std. Deviation	.5	.5	.6	.6
Ticketing	Mean	2.1	2.2	1.8	2.0
	Std. Deviation	.5	.5	.7	.6

Marketing and commercial management's major responsibilities in football clubs of all sizes appear to revolve around generating revenues from sponsorship and advertising. Marketing also has major responsibility for event-based activities including corporate hospitality and match programmes although it has just some responsibility for ticketing. High responsibility scores are also given for advertising, direct marketing and promotional activity. Marketing management has some responsibility only for market research, pricing, membership and public/media relations. Whilst there are no considerable differences between clubs of different size the standard deviation scores shown in Table 7.5 show that there is variability between clubs of similar size in terms of their responsibilities.

The responsibilities of various managers were identified at each of the sample clubs within the qualitative study. The extent of responsibility that commercial and marketing management had over certain activities varied across clubs of all sizes, particularly in the areas of ticketing, community, communications, and business development.

Community activities falls under the responsibility of the senior commercial and marketing management at only five clubs in the study. Two large clubs (L4, L3) and three medium-sized clubs (M1, M2, M4) have all appointed a community manager whose job was the co-ordinate all community activities and to provide a day-to-day point of contact with the externally funded Football in the Community (FIC) officers. In the case of club M2, the FIC officers are internally funded. At all of these clubs the community department is responsible for a range of activities beyond coaching visits and courses *e.g.* junior membership, club mascot, ground tours, birthday parties, Family Night Football. At the remaining nine clubs, the FIC officers works outside the structures of the clubs' commercial activities and reports to a board member, although at three clubs some steps have been taken to enable members of the commercial team to work more closely with the FIC officers. L5 and M3 involve the FIC manager at all general management meetings and M5 has given a marketing executive responsibility for coordinating with the FIC manager and maximising commercial opportunities. One small club (S3) has recently appointed a PR manager whose responsibility is likely to involve working with the FIC officer.

Ticketing falls under the responsibility of senior marketing and commercial management at less than half of the clubs. Three large-sized clubs (L1, L4, L5) and three medium-sized clubs (M5, M2, M1) have the ticket office under commercial and marketing management responsibility. The main benefits put forward for structuring in this way are the ability to maximise ticket sales, data capture, and supporter communication.

Some of the clubs are still in a time warp where the secretary is in charge of tickets or the secretary has got to give them permission to do this and this. They will never ever progress. How can the ticketing be an administrative function? It is a marketing function. At this club it is even less of a marketing function but it is still under marketing. We sell out before the season starts. But then all of a sudden we get a cup game or friendly when we only have three weeks to sell the game out. What does the club secretary do? He wouldn't have a clue what to do. But many are still in that time warp. (Director of Marketing, L1)

My major concern was that the ticket office came under the wing of the company secretary. I wanted it to come under the wing of the commercial department. Ticketing at the time came under the wing of company secretary and to me that was wrong because they do not have any skills in sales. They are financial and administrative. Myself and the commercial director presented this to the board and we changed it with immediate effect and it caused a lot of ructions within the club. (Corporate Commercial Manager, L5)

At all other clubs the ticket office falls under the responsibility of finance and administration departments or the company secretary. This is surprising given the excess gate capacity at all the clubs outside the FA Premier League and further suggests the need for marketing involvement. Only two of these clubs appeared to allocate any ticket sales responsibility to marketing and commercial management. At one large-sized club (L3), which has a high number of season ticket holders, working parties are set up between the commercial department and the ticket office to market cup games and pre-season friendlies. At one small club (S1) the sales and marketing manager is responsible for marketing and promoting match tickets with the administration of the ticket function falling under the remit of the financial controller.

One common theme was the issue of whether or not to centralise communications (promotional) activity within the club. The majority of large clubs have some form of

centralisation in place. At club L2 one of the commercial department's roles is to undertake marketing communications, and research activity for other departments. At club L1, all promotion, advertising, and direct marketing, and non-playing publicity is carried out through the branded products department. At club L4 the marketing services department undertakes promotional, direct marketing, publicity work and market research for all departments. In contrast, at L5 and L3, advertising, promotions literature, direct-mail campaigns, and publicity are organised by each individual department.

Within the medium-sized clubs, only M1 and M3 have a member of staff responsible for providing promotional and publicity activity for all the commercial departments. Club M2 and M5 have a PR manager who is responsible for generating publicity for all departments but advertising and other forms of promotion are left to the individual managers. At M4 all advertising and promotional literature have to go through the publications manager although publicity responsibilities are left to each individual manager. Within the small-sized clubs advertising and publicity is the responsibility of the commercial and marketing managers although this is often limited to the area of hospitality and sponsorship sales. S1's sales and marketing manager is the only manager who appeared to actively promote the different areas of the business.

The extent to which clubs have formalised new product/service development was also examined. Four of the clubs in the study (L4, L5, M1, M2) have created a role for a member of staff who is mainly responsible for identifying and developing new product and service opportunities for the club.

The business development role is providing the bridge from where we are now to where we want to go. Whereas corporate sales focuses on selling existing business services, business development is a new post that aims to look at new product and service opportunities for the club. It is not a role that is common within the football industry although it is outside the industry. This role is usually left the commercial manager. The role of the business development manager is to draw the feasibility study and a plan for a new business opportunity. Once it is set up and running then it will be fed back into the operations area. (Managing Director, M1)

At the other three large-sized clubs (L1, L3 and L2) this responsibility lies primarily with the senior commercial management. The majority of medium-sized clubs and all the small clubs have not formalised this area of responsibility, with new product/service ideas falling under the remit of the functional managers, many of whom appear to be over-stretched with day-to-day responsibilities. At only one of the clubs (S1), does the marketing manager include new product/service development as being part of his role.

### 7.2.3 Reporting systems

The questionnaire examined the reporting level of the Chief Marketing Executive (CME) within the clubs. Table 7.6 shows that the larger clubs are more likely to report to the Chief Executive or Managing Director whereas the smaller clubs are more likely to report to the Chairman/Vice Chairman or the Board. The results also suggest that the larger the club the more likely they are to have a Chief Executive or Managing Director, ranging from 53% of large clubs to just 22% of the smaller clubs.

**Table 7.6 Reporting Level.**

		Club Size			Total
		Large	Medium	Small	
Secretary	Count	1	2	1	4
	% within Club Size	7%	11%	3%	6%
Chairman/Vice Chairman	Count	4	4	19	27
	% within Club Size	27%	21%	53%	39%
Chief Executive/Managing Director	Count	8	8	8	24
	% within Club Size	53%	42%	22%	34%
Board	Count		4	5	9
	% within Club Size		21.1%	13.9%	12.9%
Other	Count	2	1	3	6
	% within Club Size	13%	5%	8%	9%
Total	Count	15	19	36	70
	% within Club Size	100%	100%	100%	100%

The qualitative study identified a variety of reporting lines that are being used by the clubs for their commercial operations. These include:

1. Functional managers reporting directly to the managing director or CEO.



Here, the functional manager of commercial activities (*e.g.* retail, corporate sales, publications) reports directly to the managing director or CEO. This reporting system is evident in two of the medium-sized clubs and one small club. At both M4 and M1, the CEO and managing director respectively are responsible for monitoring and controlling commercial functional managers as well as managers in other areas of the business such as finance, administration, stadium and playing. Both managers see the need for the appointment of a marketing director/operations manager but were financially constrained.

We have come from a situation where we had a series of managers who were all told to look after a specific area. In some cases that would be a number various things such as the programme and club shop *etc.* We now need, like at Leicester City, an operations manager who makes sure that targets are met and that there are regular meetings with the managers and budgets are monitored. It is difficult at present for me to manage these areas as well as developing the strategic financial structures of the organisation. If we stay up this year then I feel we will have the finances to employ such a person. (Managing Director, M1)

A simpler reporting structure was seen at one of the small-sized clubs (S4) where the commercial manager with limited responsibilities reported directly to the managing director.

## 2. Functional managers reporting to director of marketing/marketing co-ordinator.

This reporting system is used in three of the five large-sized clubs and two of the medium-sized clubs. These clubs have appointed a person whose job is to co-ordinate commercial activities within the club, and report to the CEO (L4, L1, L3, M5), or the chairman (M2). Their job titles include: marketing director (L4) director of marketing (L1, M2), business operations general manager (L3), and sales & marketing manager (M5). Their main role is to plan, co-ordinate, and monitor the commercial team. They are also involved in securing strategic deals such as shirt, club, or stand sponsorship, and catering contracts. This reporting system is also evident to a lesser extent in the two remaining large-sized clubs (L2, L5). Club L2 has a commercial manager who is responsible for co-ordinating commercial and marketing activities and reports to a non-

executive director. However the commercial manager still has many day-to-day responsibilities and several key marketing areas such as catering, ticket office, and community activities are outside his remit.

There was just no structure when I came here in 1995. The corporate sales manager was just a free spirit and didn't have to report to anybody. She just did what she wanted. Now she has me chasing after her for better results because I have people chasing me after better results. We are a lot more professional now in the case of demanding and looking for results. (Commercial Manager, L2)

At club L5 the managing director has two commercial managers reporting to him (consumer and corporate). Again these managers have day-to-day responsibilities, but together have a wider span of control than L2's commercial manager and have the benefit of reporting to an executive director.

### 3. Functional managers reporting to non-executive directors/Chairman.

This reporting system is evident at one of the medium-sized clubs (M3) and three of the small-sized clubs (S3, S2, S1). Although club M3 has a general manager, the majority of the nine functional managers see non-executive directors as their line-managers and there is a perceived need for a commercially minded CEO to co-ordinate marketing and commercial activities. Within the small clubs, financial constraints are the main reason given for a lack of a senior level of management. At S2, the Chairman (recently retired from industry) acts as the marketing co-ordinator and has considerable marketing and sales experience which he is hoping to pass on to his commercial team. At club S3, the commercial manager reports into a non-executive director who has no sales or marketing experience and has taken on the role because nobody else is interested.

The commercial (non-executive) director is my boss, although he is not clued up commercially. I think commercial was doing so badly that no one wanted to own it and so responsibility was given to him. Luckily for him the person he has employed is quite competent. (Commercial Manager, S3)

#### 7.2.4 Cooperation and Coordination Mechanisms

In services marketing it is often the case that mechanisms for physically satisfying customer needs are under the control of departments other than commercial or marketing. Therefore there is a need for the marketing and commercial department to work closely with other functional areas. With this in mind the degree to which the marketing and commercial department works with other functional activities in the club was examined. Questionnaire respondents were asked to what extent they work with other departments. Table results presented in Table 7.7 suggests that there is a certain amount of liaison with other functional areas throughout clubs of all sizes.

**Table 7.7 Extent of Working with Other Departments (mean scores).**

1=Never, 2=Sometimes, 3= Always

		Club Size			
		Large	Medium	Small	Total
Club administration/ secretary	Mean	2.27	2.26	2.17	2.21
	Std. Deviation	.458	.452	.655	.562
Community relations	Mean	2.07	2.37	2.06	2.14
	Std. Deviation	.704	.496	.475	.546
Playing/ team management	Mean	2.00	2.11	2.19	2.13
	Std. Deviation	.535	.315	.467	.448
Ticketing	Mean	2.07	2.21	1.83	1.99
	Std. Deviation	.458	.535	.697	.625
Safety/ground	Mean	1.87	2.11	1.61	1.80
	Std. Deviation	.640	.567	.645	.651

However the standard deviation scores suggest that there is variability in the level of cooperation with other departments. Table 7.8 shows the frequencies of responses and highlights several points. Cooperation with the ticketing function appears to be greater within the large and medium sized clubs with one third (33%) of the small clubs' marketing operations never working with the ticketing function. Community relations is an important activity in terms of targeting supporters, sponsors, local media and authorities and the general public. One would therefore expect the degree of marketing's liaison with community relations to be greater than stated, with only 23%

of all clubs always working together and notably 20% of large clubs never working with the community relations function. A third (33%) of all clubs' marketing operations never work with the safety/ground function. This is surprising when one considers the important role that stewards can play in delivering match-day service. Only 3 clubs (4%) claim never to work with playing/team management with two of these being large sized clubs. The large majority of the clubs (79%) state that they sometimes work with playing/team management.

**Table 7.8 Extent of Working with Other Departments.**

		Club Size						Total	
		Large		Medium		Small		Count	Col %
		Count	Col %	Count	Col %	Count	Col %		
Club administration/ secretary	Never					5	14%	5	7%
	Sometimes	11	73%	14	74%	20	56%	45	64%
	Always	4	27%	5	26%	11	31%	20	29%
Community relations	Never	3	20%			3	8%	6	9%
	Sometimes	8	53%	12	63%	28	78%	48	69%
	Always	4	27%	7	37%	5	14%	16	23%
Playing/ team management	Never	2	13%			1	3%	3	4%
	Sometimes	11	73%	17	89%	27	75%	55	79%
	Always	2	13%	2	11%	8	22%	12	17%
Ticketing	Never	1	7%	1	5%	12	33%	14	20%
	Sometimes	12	80%	13	68%	18	50%	43	61%
	Always	2	13%	5	26%	6	17%	13	19%
Safety/ground	Never	4	27%	2	11%	17	47%	23	33%
	Sometimes	9	60%	13	68%	16	44%	38	54%
	Always	2	13%	4	21%	3	8%	9	13%

The qualitative study identified a wide degree of variety in the mechanisms used by clubs to facilitate coordination and cooperation between the various functional departments. The importance of regular meetings is highlighted as is the commitment of senior management in formalising such meetings.

All the large-sized clubs have a formal schedule of meetings. At club L1, the commercial functions are located together in open plan offices. All departments are informed of new initiatives or activities which may have an impact upon them, such as a mail-shot to season ticket holders. A weekly executive meeting is held with heads of functional areas who in turn hold a meeting with their own departments to inform all staff of new developments. On a six-weekly basis, a meeting is held with a larger

representation from departments. Internal communications are also achieved through an internal newsletter.

Similarly, club L2 uses open plan offices for its commercial department. The club uses meetings and notice-boards for communications with staff. Weekly meetings are held within the marketing/commercial department and minutes of meetings are made available on notice-boards. On a fortnightly basis, departmental heads hold a management meeting, although in the past such meetings have only served to highlight the lack of co-ordination between departments. For instance, inconsistently branded literature being sent out from different departments and the community department's reluctance to market other club activities have shown that co-operation with the commercial department still has scope for improvement and effectiveness.

We are too fragmented. We need a chief executive so that each department manager reports to the chief executive and that chief executive pulls everybody together. Currently we are reporting to different non-executive directors who then only meet with each other once a month at the board meeting. We need somebody who knows what's going on in my department, in the catering department, in the stadium job and in the club secretary job. We do talk to each other but we need one person who can bring the various departments together and knock their heads together to make sure everyone is working towards the same goal. The problem is people in their own departments like to do their own thing and don't like to be told. (Commercial Manager, L2)

At club L3, departmental heads and the CEO meet on a weekly basis in order to promote greater continuity and co-ordination between the activities of different departments and to enable the CEO to ensure that activities are co-ordinated in line with strategic objectives. Further evidence of effective co-ordination can be seen in the way in which the marketing and commercial department works closely with ticketing and produce all communications literature. Such tight co-ordination does not necessarily lead to rigidity and inflexibility. The club regularly establishes working parties to develop marketing plans for cup games.

The use of open plan offices can also be seen at club L4, where all but the community department are accommodated in the same area. All departmental heads attend a weekly management meeting which is scheduled for Monday mornings for a two-hour period. Its purpose is to undertake a prompt match-day de-brief and identify issues arising from

this. In addition an explicit objective of these meetings is to discuss future business, encourage integration and avoid duplication and missed opportunities.

One thing you will find here, which I promote very heavily, is that we are big into meetings and communication. Brainstorming, getting people round tables, getting their input into things. We have Monday morning meetings with all the general managers and the Marketing Director, and we talk about every aspect of the company. We tell each other what we are doing and we ask each other questions and we challenge, motivate and drive each other. That's useful, because that is my weekly opportunity to 'touch-base' with the key players in the company. The Marketing Director then works on a one-to-one basis in more detail. (Managing Director, L4)

Since his arrival at club L5, the managing director has formalised meeting procedures in order to facilitate interdepartmental co-operation.

Things needed to be changed. I think it was more on the bringing the whole team together. Because there were six line managers they were having their own meetings but there was no sitting down and "let's look as a team at the overall picture". But now we do. The changes were more on the procedures, formalising. Making sure that there is interdepartmental co-operation. (Managing Director, L5)

L5 also uses Monday morning meetings in the same way as club L4, although they do not take the form of a full management meeting, which is scheduled to take place on a monthly basis. In the interim period, departments hold their own internal meetings. For instance, the corporate commercial manager chairs a fortnightly meeting of a sales and marketing group comprising of representatives of all commercial areas (consumer and corporate). The purpose of such meetings is to review match-day operations and find ways of maximising co-operation between corporate and consumer marketing initiatives. Similar to club L4, L5 also forms ad hoc committees charged with evaluating and developing new ideas.

New senior management appointments at many of the medium-sized clubs have resulted in the introduction of regular inter-departmental meetings although the frequency and success of such meetings varies among clubs. For instance, at M2, meetings between commercial managers are held monthly. Although managers enjoy a high level of autonomy, the director of sales and marketing is responsible for ensuring co-ordination and co-operation between departments.

When I arrived six months ago the departments were very compartmentalised with very little inter co-operation. I'm trying to knock down these barriers in between the departments. They are not barriers that people have necessarily put up but they are just not thinking about dealing with each other. I have tried to break down the barriers to encourage integration, cross fertilisation *etc.* We now have a monthly commercial meeting with all the respective managers. (Director of Sales & Marketing, M2)

Management meetings are held every week at club M3 and are chaired by the general manager. The community officer is involved at all times. Whilst the frequency of meetings appears to be appropriate for M3, weekly management meetings were abandoned in favour of monthly meetings due to the counterproductive nature of meeting weekly with little to discuss. M5 has located all commercial offices together in one block under a stand. The sales and marketing team have a fortnightly team meeting. The aim of such meetings is to ensure everyone is aware of each other's objectives and to act as a forum for brainstorming and reporting on progress. The head of sales & marketing has a managing and co-ordinating role which involves his participation in regular meetings of senior managers.

Club M1 holds a weekly managers' meeting. However, a lack of co-ordination and monitoring has often meant that implementation is hampered.

We have a managers' meeting every Monday. Ideally the key policies are discussed between the managers and each manager then goes back and communicates to his troops. However for some reason this does not always happen and you find that on Thursday somebody has unilaterally decided another course of action. The structure is sound but it is such a large organisation that you will need somebody to make sure that things are being implemented. We will need somebody to make sure for example that people are cross promoting or that stewards are dealing with people in the right way. The tactical operational side of the business needs to be monitored by someone. (Managing Director, M1)

The CEO at club M4 removed the weekly departmental meetings on his arrival due to their counter-productive nature although he plans to re-introduce them on a monthly basis.

When I came at the start of the year there were regular meetings between departments but there was no relationship between departments. The meetings themselves tended to be a slanging match to be honest. I think we have improved morale between departments and

I think people have a better understanding of what everyone else is contributing to the club so that there is still the competitiveness but there is not the same cynicism. But by stripping out the weekly meetings I think there's a gap where some departments don't know what other departments are doing and they need to do so. For next year I have reintroduced an operations meetings once a month where we will run through every operational issue in the club. (CEO, M4)

Of the small-sized clubs, S1's managers hold monthly management meetings with the non-executive directors. Other meetings are set up in between these meetings but are not timetabled. There is some friction between sales & marketing and conference & banqueting as a result of operating as separate profit centres and the absence of a senior line manager. At club S2, a commercial committee 'training school' meets monthly, although community activities are not coordinated with marketing. Neither S4 nor S3 hold formalised meetings between commercial managers and the other functional managers within the club.

Players and team managers can play a key role in promoting the clubs products, services, community initiatives, and general image. The players' FA contract states that the player agrees to make himself available for community and public relations involvement as requested by the club management at reasonable times during the period of the contract *e.g.* two to three hours per week. The reality however is quite different with nearly all the clubs in the qualitative study experiencing difficulty in obtaining player co-operation.

I am on a forum with all the other Premier League clubs who are involved with city sport and their response is that they find it as difficult as us to get co-operation from players. So I think it is a national picture and I think that the trend has dramatically changed over the last few years. At clubs you have the same three or four players doing all the work. If there was a rota then they would only have to do two or three events a year. It is easy but there is no system here. (Community Officer, L1)

It is probably a bone of contention with most clubs that you can never get a player to do anything. (Corporate Commercial Manager, L5)

I have a problem getting players to appear anywhere and do bits and pieces, it is a nightmare, so I send the mascot! If you speak to our team manager he will say that his players are here to play football, first and foremost, they are not 'performing monkeys'. (Marketing Manager, S2)



Lack of player co-operation was evident at clubs of all sizes although several clubs have recently put measures in place to improve the working relationship between the playing side of the club and the commercial side. Some clubs have appointed staff that will act as the interface between the two sides of the business. At club L5, the managing director has recently appointed a point of contact and formalised systems to improve the situation.

Since I have arrived it (player co-operation) has become more structured. We have formalised it because we see it as important. I had a meeting at the beginning of the season with the team manager and the PR consultant who does all the player appearances and is also a director of the club. Basically I told the manager that what I would need on match day was any player who was not appearing on the pitch. They would become available 45 minutes before the game for the corporate sales manager. The player appearances are organised by the PR consultant. This is formalised. She has agreed through the team manager to do a rota system which is up on the players notice-board. That is discussed between the PR consultant, the team manager, and club captain. It is up to the players to notify the PR consultant if they cannot make anything. All requests in for player appearances are passed on to the PR consultant who deals with the admin. That is where the youth development officer links in with the PR consultant. Everybody knows the PR officer is the focal point for player appearances. This saves any misunderstanding. (Managing Director, L5)

Similarly at L3, linkages between commercial activities and team are facilitated by a football PR officer who has an office facility at the training ground. The football PR officer is responsible for ensuring that players attend community visits and acts as the co-ordinating link between the players and the PR department which is situated within the commercial structure of the club. However, despite this different approach to eliciting and managing player co-operation, the club has often encountered conflicts between the players' contractual obligations to personal sponsors and the needs of club sponsors. One medium-sized club (M2) has appointed a former player as an academy co-ordinator whose role involves acting as the catalyst between the two sides of the business and to facilitate and organise player visits. To help manage this process, the community department produce a chart of player appearances.

Often it is the attitude of the football team manager which determines the extent of support offered to commercial managers. Without the support of the team manager, player co-operation is unlikely to materialise. At club M1, the new managing director has taken steps to improve the situation through communication with the team manager.

The level of co-operation from the playing side is not perfect but it is getting better all the time. Now the players sit down and agree that the visits have to be shared whereas in the past just a few players would go to all the meetings because they were the only ones that talked. Historically the commercial manager would go to the players he thought would say yes. This is because there was no discipline from the team manager. What is happening now is that the manager has to realise that if he wants to spend £1 million on a player that money is going to come from the commercial side of the business. We then ask the team manager to explain this to the players. (Managing Director, M1)

M5's experience also shows that communication is an imperative in eliciting player co-operation. At club M5, player co-operation is good. The team manager is aware of the importance of players' support in commercial activities, having attended the club's management training course.

The players are very good and do not need to be told, in fact with the club bar, the team manager and I had a management meeting and we came up with a lot of ideas as to how the bar could be promoted with his players and he actually got a friend of his who was an ex-international player to come down. Last Christmas we had a junior members disco and we invited the players to come, not told but invited. Ten players turned up to the function. There will be always one or two in any organisation that will not want to do it. The team manager is an important role model here. If he is helping the business side then it sets an example. (Sales & Marketing Manager, M5)

At the smaller clubs, in the absence of any club policy, the level of player co-operation depended on the relationship that commercial and community manager could forge with the team manager and players. Club S1's marketing manager has a good relationship with players although finds it difficult to get some to co-operate. The team manager evaluates requests and grants them as he sees fit. Whilst a rota-system is not in use, the press officer uses injured players to co-commentate on match-day and uses them on mid-weekly radio broadcasts. At club S2, the marketing manager is aware of players contractual obligations but they are not co-operative. At club S4, the commercial manager has a good relationship with the players as he used to be a trainee at the club and has used this relationship to his advantage in promotional activities. However the community manager has complained to the managing director of the lack of player co-operation. In so doing it was discovered that the managing director was not aware of the nature of player's contracts and provisions for co-operation within them.

With the majority of team managers reporting into the Chairman, and therefore bypassing the senior commercial manager, board level management commitment is essential to ensure a harmonious relationship between the two sides of the business. Interestingly, at two of the large clubs (L4 and L1), there is evidence of growing tension between the commercial and playing areas of the club that has not been addressed by the board members. The rapid growth of the commercial side of the clubs' operations has led to a shift in the balance of power towards commercial management. At both clubs there was evidence of a personality clash between the team manager and the acting CEO which was connected to the issue of 'who really runs the club?' An atmosphere of friction between the commercial and playing arms of the clubs has led to a catalogue of well publicised conflicts between the team managers and their CEO's resulting in little co-operation between the two sides of the business.

Football managers are too strong. The problem is that you tend to get some managers who say "you want me, I am a big name, then you do it my way". I am sure the managers of some football clubs say, "we want you to attend this, and do this" and the team managers says "I am not doing all that shit, sod that, no. I am here to run a football team, I am not doing all that lot. I don't mind going to the odd thing, but take that out of the contract and I will come and work for you". And if the club want a top manager and these guys don't want to do it, they don't do it. And whatever you tell them to do, they don't do it. Now the new breed of managers coming through are being cultured in a different way and have begun to realise the benefits of commercialism in a club and they are realising that they have got to work with these people, whereas the ones who have been doing it for years don't want it. (Managing Director, L4)

### **7.3 Staff/Skills**

The composition of human resources within football clubs in the study varied widely according to their background, recruitment, training and appraisal. In addition several clubs used human resources from third parties and external consultants.

#### **7.3.1 Background**

Questionnaire respondents were asked to state their previous industry area of employment. The results are shown in Table 7.9. Over two thirds of all CME's (69%) have been appointed from outside the football industry, which suggests a realisation

within the industry of the need for general marketing expertise rather than industry knowledge. Over half of CME's (53%) come from the service sector. Although Table 7.9 shows that the large clubs have not recruited from the retail sector, this is likely to be due to the fact that many large clubs have separated the merchandise operations from the marketing/commercial department..

**Table 7.9 Previous Industry Area.**

		Club Size			Total
		Large	Medium	Small	
Football	Count	5	7	10	22
	% within Club Size	33%	37%	28%	31%
Other Sport	Count	1		2	3
	% within Club Size	7%		6%	4%
FMCG manufacturing	Count	3		2	5
	% within Club Size	20%		6%	7%
Consumer durables manufacturing	Count			1	1
	% within Club Size			3%	1%
Retail/ Wholesale	Count		3	5	8
	% within Club Size		16%	14%	11%
Consumer services	Count	1		3	4
	% within Club Size	7%		8%	6%
Business/ industrial products	Count	1		1	2
	% within Club Size	7%		3%	3%
Business/ industrial services	Count	1	5		6
	% within Club Size	7%	26%		9%
Financial services	Count		1	2	3
	% within Club Size		5%	6%	4%
Media	Count	1	1	4	6
	% within Club Size	7%	5%	11%	9%
Charity/ society	Count			1	1
	% within Club Size			3%	1%
Public sector	Count	1	1	4	6
	% within Club Size	7%	5%	11%	9%
Other	Count	1	1	1	3
	% within Club Size	7%	5%	3%	4%
Total	Count	15	19	36	70
	% within Club Size	100%	100%	100%	100%

Table 7.10 suggests that only 6% of clubs have former players in CME positions although this number may be higher as the survey only asked respondents to state their last job area. The majority of CME's come from marketing and commercial (46%) or sales (26%) areas. A quarter of CME's within the small clubs (25%) come from general management and administrative areas.

**Table 7.10 Previous Functional Area.**

		Club Size			Total
		Large	Medium	Small	
Marketing/ commercial	Count	9	10	13	32
	% within Club Size	60%	53%	36%	46%
Sales	Count	4	3	11	18
	% within Club Size	27%	16%	31%	26%
General management	Count		1	5	6
	% within Club Size		5%	14%	9%
Administration	Count			3	3
	% within Club Size			8%	4%
Finance	Count		1	1	2
	% within Club Size		5%	3%	3%
Production	Count		1		1
	% within Club Size		5%		1%
Playing/ coaching	Count	1	2	1	4
	% within Club Size	7%	11%	3%	6%
Other	Count	1	1	2	4
	% within Club Size	7%	5%	6%	6%
Total	Count	15	19	36	70
	% within Club Size	100%	100%	100%	100%

Among the large clubs in the qualitative study, all of the senior commercial and marketing managers come from commercial backgrounds beyond the football industry. Senior managers such as the chairman, managing director and commercial managers come from backgrounds as diverse as other sports and leisure, manufacturing and the public sector. The managing director of club L4 has run several businesses in the past and had his own marketing consultancy. Similarly, the director of marketing at club L1 runs his own marketing consultancy and has had previous experience with two other clubs. All of these managers share the view that the management of a football club is not dissimilar to another commercial entity and that the basic principles of marketing can apply to any commercial situation or context.

Previously I was head of the local Council's leisure services which involved a variety of leisure activities which is not dissimilar to this basically, the only peculiarity is that, due to the performance of the team, from one year to the next I do not know what my turnover is going to be. (Managing Director, L5).

When I first arrived at the club, as Marketing Director in 1991, nobody would speak to me and one bloke said to me, "what do you know about football?" I said "nothing", and

he said, “ well you ain’t going to last very long”. I said “why?” He said “well you have got to know about football otherwise you can’t get things to happen”. I said “well I disagree, I am a marketer, I grow businesses, I don’t have to know about football to do that. (Managing Director, L4)

Notable among the medium-sized clubs is that senior managers have previous commercial experience in the area in which they currently hold a position with their respective football club. For instance, at club M2, the director of sales & marketing previously held a position in sales and marketing for a sports equipment manufacturer and the commercial manager worked in commercial radio and print media prior to his appointment. At club M4, the publications manager formerly worked in the publications industry and the merchandising consultant has a commercial design background. At club M5, the CEO and the sales & marketing manager have commercial experience and both expressed the view that the requisite skills for success in a football environment are akin to those in other industries in which they have worked. This club, in particular, has a large number of employees working in commercial parts of the organisation which do not have lengthy experience of the football industry, and in some cases are known to dislike the sport.

FMCGs and retail is my background and I have always been customer facing. I have no football experience but I do believe that the disciplines are the same. (Sales & Marketing Manager, M5)

Club M3 represents a ‘mixed-bag’ of backgrounds. Whilst the chairman comes from a sales background, many other managers lack the degree of commercial experience observed in similar sized clubs. The retail manager has prior experience in an unrelated wholesaling sector, the sales manager has been promoted from the role of community officer and has received his training directly from the chairman. The marketing and promotions manager has a degree in a business related subject. The general manager has an administrative background and was previously a club secretary. Clearly, the majority of the medium-sized clubs have attempted to rapidly acquire experience in the functional areas of their businesses by bringing in expertise from outside the club.

Within the small clubs, two clubs (S1 and S2) have marketing and commercial managers from commercial marketing and sales backgrounds whilst in another two

clubs (S3 and S4), managers responsible for these activities have previously worked in other clubs or within the same club in another capacity. Consider the differing views which can be attributed to the degree of commercial exposure with regard to marketing: one manager with a commercial background considered product development, public relations, sales, and marketing as central to the role. In contrast, a more limited view, taken by a manager with a playing background, was of marketing as merely advertising and hospitality sales.

### **7.3.2 Recruitment**

The extent to which marketing values can pervade the organisation will be influenced, in part, by the number of employees who hold expertise in marketing and commercial areas, ranging from senior executives and directors to appointments made at middle and junior levels. Questionnaire respondents were asked to state extent to which the following statement was an accurate reflection of their club's marketing recruitment policy: "Marketing specialists with proven experience are employed at relevant levels". Table 7.11 shows that less than a third of all club CME's (31%) felt that the statement was an accurate reflection of their club's marketing recruitment policy. The table highlights the variability of responses within clubs of similar size and it is of note that roughly a third of clubs of all sizes did not feel that marketing specialists with proven experience were employed at all levels. The mean score calculation (See Table 7.12) shows that smaller clubs, on average, are less likely than their larger counterparts to employ experienced marketing specialists at all levels.

**Table 7.11 Marketing Specialists.**

"Marketing specialists with proven experience are employed at relevant levels"

		Club Size			Total
		Large	Medium	Small	
fairly/very innacurate	Count	5	6	13	24
	% within Club Size	33%	32%	36%	34%
neither innacurate nor accurate	Count	3	5	16	24
	% within Club Size	20%	26%	44%	34%
fairly/very accurate	Count	7	8	7	22
	% within Club Size	47%	42%	19%	31%
Total	Count	15	19	36	70
	% within Club Size	100%	100%	100%	100%

**Table 7.12 Marketing Specialists (mean scores).**

1= very innacurate, 5=very accurate

MKSPEC24

Club Size	Mean	Std. Deviation
Large	3.2	1.2
Medium	3.3	1.2
Small	2.7	.9
Total	3.0	1.1

The backgrounds of senior managers within the qualitative study sample clubs reflect changing attitudes to the recruitment of key management personnel. Furthermore, the growth in the size of clubs has enabled a greater number of new employees to be recruited from non-football backgrounds.

Characteristic of the large clubs are three factors affecting recruitment: equivalent experience from other industries; internal promotion; and use of placement students.

The need for experience from other sectors was identified in the section above. Moreover, since the mid 1990s, many of the large clubs have appointed senior managers which have held senior posts in well known British companies. Notably, these clubs have recruited managers from the following areas:

- Commercial managers – sales & marketing
- Communications managers – publishing & public relations



- Merchandising managers – retailing.

In reality the bottom line is that our head of retail would be a regional manager from Top Shop it wouldn't be the captain's wife who needs a few hours work because she is bored at home. Some clubs fall in to that trap. "He was a good player, he was with the club for 12 years so we'll give him a job in the marketing department". It is a joke really. (Director of Marketing, L1)

More business people from outside of football have been drawn into the industry over the last four or five years. They have brought with them their own strengths and capabilities plus importantly their own experiences from other industries. The way things should be done, how to action business plans, how to monitor them how to manage people and develop people. We are still at the infancy of it. In my involvement since 1986 I have seen an incredible change around in the structure of football as a business in every facet. (General Manager, L3)

Whilst there has been a tendency and, in some cases, a preference to recruit managers from outside football, clubs still value internal promotion as a way of harnessing expertise and providing rewards to their best employees. L2, L4 and L5 have managers in marketing-based positions which have previously occupied a different post within the club (such as events management, shop administration, *etc.*). In addition, managers recruited from outside football clubs are not exclusively from traditional commercial backgrounds. Club L2 has appointed senior managers from other sports (Rugby League) and governing bodies (The FA Premier League). This changeover to managers with wide (commercial) rather than narrow (football) experience is still underway. Several of the large clubs have yet to complete their complement of professionally trained managers, requiring expertise in areas such as personnel (L5, L3), sales (L1, L3) and community relations (L3). In several clubs, financial constraints and the lack of opportunity to permanently appoint new staff is being mitigated through the use of placement students from University Business Schools. For instance, L4, L1, L2 and L5 have used students for a variety of activities, including the introduction of new information technology and feasibility studies for new products, services and stadium facilities.

All of the medium-sized clubs in the sample are in the formative stages of transition after appointing CEO's, managing directors and directors of marketing in the last two years. Prior to the recruitment of experienced functional managers, many clubs opted

for a shake-up of existing managers who lacked experience and undertook too many tasks to make a tangible contribution to the commercial development of the club. Clubs M1, M3, M4 and M5 have all dismissed a number of incumbent managers.

When I arrived a year ago the club was in chaos operationally. I virtually gutted the club in 12 months. There are very few people here now that were here when I arrived. I sacked the club secretary, the assistant club secretary, the ticket manager, all the ticket office staff, all the commercial staff, the commercial manager, the marketing manager. (CEO, M4)

We had a traditional commercial manager who was somebody who tended to have his finger in every pie but a master of none. The traditional commercial manager was released and functional specialists appointed. (Sales Manager, M3)

Many of the chairmen and managing directors in these clubs indicate that they prefer to appoint managers who will not only bring with them expertise, but will also be as dynamic and change driven as the highest ranking manager. Many of the existing managers in place were perceived to favour the status quo and programmes of change would more likely meet with greater resistance and inertia.

The biggest block is 'can't do' We had to take a difficult decision on people that had been here for a long time that we did not feel would be able to move forward and were actually going to hold the process back. We did away with the role of club secretary. The club secretary was the stereotype who worked by the rulebook and was a master of everything and a specialist of none. Part of the problem when I first came here was that everyone was committed to the club but not necessarily in the right way. A lot of staff are fans and historically clubs would have employed fans, probably because they are cheaper. You can't help becoming a fan when you work for football club but you should be a professional first and a fan second. (CEO, M5)

The medium-sized clubs clearly lag behind their larger counterparts due, in most cases, to financial constraints, finding that attractive salaries and packages are required to find and appoint the best calibre managers. This inability to hire experienced professionals has put a greater onus on the senior managers in terms of coaching and co-ordination.

I think that we are still very much in the infancy in terms of the fact that we have a lot of people who can carry out the roles but they have not yet developed the creativity to start planning and deciding how they want to take their departments forward. That is the next stage we want to do because at the moment I am largely spoon feeding people to be honest. (CEO, M4)

Despite these circumstances, medium-sized clubs tend to favour internal promotion and the use of students (M5 being the exception) less than large clubs although club M1 has made use of supporters' professional skills in the past to provide marketing services such as market research.

The small clubs in the study face the harshest operating and financial conditions, observed through the reluctance or failure to recruit professional managers. Existing managers undertake a wide number of roles and have little or no administrative support, thereby diminishing their ability to focus upon policy development and new initiatives. In some cases, basic elements of marketing cannot be undertaken (such as public relations, community initiatives, publications and the selling of advertising space). These clubs do not use students, in one instance believing that commercial confidentiality would be compromised, and are unable or unwilling to offer attractive salary packages to job applicants. One of the small clubs (S3) has had access, for two years, to a professional skills resource of volunteer supporters which was obtained from the supporters club questionnaire. However the club has not made any use of it to date although the new PR manager plans to change that.

Only this morning we have found out that a local man, who supports the club and runs a retail outlet for a record company, is prepared to offer his help. We would be crazy if we did not invite him in for lunch and ask him for his opinion on our merchandise shop. In the past people have offered their services but we have done nothing about it. So this year before a ball is kicked we will make sure that everyone who has offered their services gets a phone call. That will probably fall to me. There is a resource out there that we would be silly not to use, not because it's cheap labour but because it's part of a network. (PR Manager, S3)

### **7.3.3 Training**

Attitudes towards marketing in clubs can be gauged indirectly by examining the importance attached by the club to marketing training. Questionnaire respondents were therefore asked to state the degree of importance that was attached to marketing training by the club. Table 7.13 shows that only a quarter of clubs (26%) attach any importance to marketing training. Analysis of responses by club size shows that 40% of large clubs attach importance to marketing training compared to 26% of medium sized clubs and just 19% of small clubs. It is of note that clubs' attitude towards marketing

training varies considerably between clubs of similar size. The mean score calculation shown in Table 7.14 suggests that the larger the club, the more likely they are to attach any importance to marketing training.

**Table 7.13 Degree of Importance Attached to Marketing Training.**

marketing training \* Club Size Crosstabulation

		Club Size			Total
		Large	Medium	Small	
fairly/very unimportant	Count	5	4	14	23
	% within Club Size	33%	21%	39%	33%
neither unimportant nor important	Count	4	10	15	29
	% within Club Size	27%	53%	42%	41%
fairly/very important	Count	6	5	7	18
	% within Club Size	40%	26%	19%	26%
Total	Count	15	19	36	70
	% within Club Size	100%	100%	100%	100%

**Table 7.14 Degree of Importance Attached to Marketing Training (mean scores).**

1=very unimportant, 5=very important

TRAIMP25

Club Size	Mean	Std. Deviation
Large	3.3	1.2
Medium	3.1	1.3
Small	2.7	1.1
Total	2.9	1.2

Questionnaire respondents were asked to state the frequency of marketing training within their club. The mean score responses (See Table 7.15) show that in general training is not carried out frequently within football clubs. Large and medium size clubs are more likely to participate in internally organised training activities than their smaller counterparts. The large clubs are also more likely to use training consultants and sponsor their staff on part-time courses

**Table 7.15 Frequency of Training (mean scores).**

1=Never, 2=Sometimes, 3= Frequently

		Club Size			
		Large	Medium	Small	Total
Internal courses run by marketing department	Mean	1.4	1.4	1.2	1.3
	Std. Deviation	.5	.8	.5	.6
Internal courses run by outside consultants	Mean	1.7	1.4	1.3	1.4
	Std. Deviation	.6	.6	.5	.6
External training courses run by outside consultants	Mean	1.9	1.4	1.3	1.5
	Std. Deviation	.7	.7	.5	.7
External courses run by League	Mean	1.1	1.5	1.5	1.4
	Std. Deviation	.4	.7	.6	.6
External courses run by the F.A.	Mean	1.1	1.3	1.3	1.3
	Std. Deviation	.4	.6	.5	.5
Sponsorship of executives on part-time courses	Mean	1.5	1.4	1.1	1.3
	Std. Deviation	.7	.7	.4	.6

Table 7.16 shows the results of a composite calculation of the number of clubs that never do any kind of training. The table shows that a third of all clubs (33%) never do any kind of training. Analysis of responses by club size shows that the smaller clubs have the greater proportion (39%) that do no kind of training compared to 32% of medium sized clubs and 20% of large clubs.

**Table 7.16 Clubs That Never Do Any Kind of Training.**

Clubs that never do any training \* Club Size Crosstabulation Composite

		Club Size			Total
		Large	Medium	Small	
do some kind of training	Count	12	13	22	47
	% within Club Size	80%	68%	61%	67%
Never do any kind of training	Count	3	6	14	23
	% within Club Size	20%	32%	39%	33%
Total	Count	15	19	36	70
	% within Club Size	100%	100%	100%	100%

The results from the qualitative study show that the degree to which commercial staff are given training varies within and between clubs of different sizes.

All the large clubs have realised the benefits of staff training and have provisions in place for this purpose, apart from club L5 which is planning to introduce in-house training linked to staff development and appraisal.

Where differences between clubs can be observed is in the amount and source of the training (third- party consultants or in-house trainers). Three of the five large clubs use a combination of in-house training and third party training. In-house training has tended to focus upon areas such as computer literacy, catering, stadium management, and security. Club L1 and club L4 are the only two clubs in the sample with a personnel/HRM manager. L4's HRM manger is in the early stages of setting up training manuals for each section of commercial activity. Starting in *departments where* responsibilities are diverse, the HRM manager was working with departmental managers to develop training manuals that include procedures, standards, and training exercises. Despite having a personnel department, club L1 does not run internal training programmes but will fund external courses for employees.

We are poor at training. We will pay for staff who want to go on courses but actually bringing people into train them is something we do not do. (Director of Marketing, L1)

Both L3 and L5 feel that there is an increasing need for a personnel manager at the club.

We have a 154 staff, 70 of who are non-football but we do not have a personnel officer. Personnel currently comes under administration. Now that is one position that we are looking fill, either part-time or in conjunction with another role. (General Manager, L5)

Third-party training delivered in-house by external consultants takes a variety of forms at the large-sized clubs, including an ongoing general management programme at club L4, a two-day customer care programme at club L3, and studies for National Vocation Qualifications at L2.

We originally set up an NVQ in retail which every member of retail staff has done. We then took that a stage further so that after they completed that they would do an NVQ in customer service. The next stage is the NVQ in football administration and management, which specialises in marketing and PR. We currently have seven staff doing that. We have got people at the club with no education who are absolutely thrilled to get the certificate. They have worked up to a couple of levels. The beauty of NVQ's is that the staff do not have to go to class in evening as the training agency staff come in to the club and train them. It has actually cost us only a few thousand pounds because our region gets quite a lot of European grants. We felt the programme would improve the service to our customers first and foremost because the staff are better at their jobs. It would also give the staff more chance of internal promotion. Thirdly if they leave here they have a better CV. Training is clearly right for people. (Commercial Manager, L2)

Generally, the large clubs recognise the value of training as a way of developing new skills and enhancing existing ones and, importantly, as a way to examine how other organisations deal with commercial issues.

Four of the five medium-sized clubs offer little or no training for their commercial employees, with the reasons differing widely. In some cases (M1 and M4), the club has the intention of introducing staff training but is constrained by a combination of the availability and cost of training. This clearly denotes a tendency towards third party training, given the smaller scale of these clubs and the smaller body of commercial staff within them. In two of the clubs (M3 and M4), employees have undertaken training of their own volition to develop skills which they could apply within the football club. In one, a marketing manager has undertaken professional studies in marketing despite the view of the commercial manager that training would add little benefit to the club. In another club, an employee self-funded attendance on a course designed to develop internet application skills. Club M2, although having done no training to date, is planning to combine the attainment of the Investors in People award and ISO 9002 quality accreditation as a fillip to introduce and develop training within the club. The director of marketing has recently appointed a training agency to carry out a needs

assessment of the commercial staff's general skills with a view to returning to provide further training.

A professional, commercially oriented and systematic approach to training was seen to be in operation in one of the medium-sized clubs (M5), which had been championed by the chairman (with a strong commercial background). Not only is the content and context more wide ranging than at other clubs of similar size, the training programme is ongoing and operational at all levels of the club.

Our vision is simple and everybody can relate to it. To actually put our vision into place you have to create the right culture. In the last two years we have been working on a development programme which is designed to establish that culture. We have gone through a development programme which has impacted on all areas of the business, football and non-football. The aim of the development programme was to instil a set of ground rules that will determine the way that we manage relationship internally. It started out with myself (CEO) and the team manager as we basically run the business and then moved on to the next level of management. For somebody like the team manager it was totally new because he had not gone through formal management training and had never worked in an office environment. (CEO, M5)

Among the small clubs, little evidence of training could be found. In only one club (S1) was anything akin to training to be found, and this was strictly limited to basic computing.

You have to look after your staff because you do not want to lose them. One has to say that football clubs are not renowned for staff development for support staff. It is not just football clubs, it is all small and medium-sized enterprises who don't have the money and see staff development as a cost not an investment. We are not prepared to invest in staff development if we do not have any positions that they can develop to. (Financial Controller, S1)

Appraisal systems have an important role in providing a tangible link between an individual's performance and rewards, and provide a way in which to integrate organisational and departmental objectives into individuals' programmes of work. The use of formal appraisal systems is limited across clubs of all sizes within the qualitative study. In the few cases in which systems are in operation, they are recent innovations into the commercial areas of football clubs. Two of the large clubs (L1 and L2) have no such provisions in place. Within the other large clubs, L3 introduced a system less than



two years ago although the system is not linked to training and development or performance related pay.

We only introduced annual assessments two years ago. Now I suppose not many football clubs even do that. (General Manager, L3)

At club L4, only managers with budgetary control are appraised although profit related pay is associated with the system. At club L5, the appraisal system is limited to one department although the Managing Director plans to introduce a combined training and appraisal system across all departments.

I do not like appraisal on its own, I like appraisal with development because you should be looking to help people improve. (Managing Director, L5)

The medium-sized clubs bear a great deal of similarity to their larger counterparts with respect of appraisal systems. Two of the five clubs in the study have no such systems (M1 and M3). In one of these clubs (M3) the lack of appraisal and associated rewards for performance is an indication of the financial difficulties faced by the club, manifested by low morale and high turnover of staff.

There is a gross lack of funding and respect for the staff. The footballers get paid an awful lot of money and the non-playing staff are right at the other end of the scale. The directors don't support the staff in terms of finances, training or pensions or anything like that. Having is said that it is a damn site better than a used to be! (Sales Manager, M3).

A clear danger here is the loss of skilled employees to commercial organisations or other clubs. Unlike the large clubs, three medium-sized clubs (M2, M5 and M4) have recently linked appraisals to a training and development system, set around the objective of using the appraisal to identify an individual's training needs.

None of the small clubs have formal appraisal systems in place at the time of the study, although one (S1) does reward those responsible for generating income on the basis of annual profit contribution.

Formal staff appraisals don't happen in this sort of organisation – there is nowhere to progress to in any case. So there is not any need to develop staff apart from making sure

they can do their jobs. ... Anyone who is generating income has a performance element to their wage. The sales and marketing manager, was on gross income performance related pay (PRP) which appeared a pretty futile exercise because he spent what he wanted to buy turnover. So we moved to profit related pay and set up a PRP scheme for the support staff. (Financial Controller, S1)

### 7.3.4 Outsourcing and Consultants

In many industries, few companies are large enough to possess all the necessary in-house skills for marketing activities, such as market research and advertising, and therefore external agencies are often used. The regular use of staff from third party companies provides an attractive method of gaining the expertise of individuals without the need to employ them directly and absorb the associated overheads. Questionnaire respondents were asked to state the frequency with which they used external agencies. Given that the majority of clubs have less than 5 people working within the marketing/commercial function one would expect clubs to use external agencies for some of their marketing activities. However this does not seem to be the case. As Table 7.17 shows, over half of all clubs never use any agencies, with the exception of advertising and promotion agencies, which are used by nearly three quarters of all clubs (73%).

**Table 7.17 Use of Outside Consultants.**

		Club Size						Total	
		Large		Medium		Small		Count	Col %
		Count	Col %	Count	Col %	Count	Col %		
Advertising/Promotions	Never	1	7%	6	32%	12	33%	19	27%
	Sometimes	7	47%	8	42%	20	56%	35	50%
	Frequently	7	47%	5	26%	4	11%	16	23%
Market research	Never	2	13%	10	53%	24	67%	36	51%
	Sometimes	13	87%	8	42%	11	31%	32	46%
	Frequently			1	5%	1	3%	2	3%
Promotions	Never	6	40%	10	53%	24	67%	40	57%
	Sometimes	9	60%	9	47%	11	31%	29	41%
	Frequently					1	3%	1	1%
Direct marketing	Never	4	27%	11	58%	27	75%	42	60%
	Sometimes	9	60%	8	42%	9	25%	26	37%
	Frequently	2	13%					2	3%
Sponsorship	Never	6	40%	9	47%	26	72%	41	59%
	Sometimes	9	60%	10	53%	10	28%	29	41%
Public relations	Never	6	40%	13	68%	25	69%	44	63%
	Sometimes	9	60%	4	21%	11	31%	24	34%
	Frequently			2	11%			2	3%
Marketing	Never	4	27%	13	68%	26	72%	43	61%
	Sometimes	11	73%	6	32%	10	28%	27	39%

The mean score responses (Table 7.18) shows that the larger clubs are more likely to requisition external advice than their medium and small sized counterparts. Indeed in general the lower the league the less likely the club is to use external agencies which suggests that the cost of obtaining external expertise is preventing some of the smaller clubs from developing their marketing activities. The extent to which clubs use external consultants or agencies varies between clubs of similar size.

**Table 7.18 Use of Outside Consultants (mean scores).**

1=Never, 2=Sometimes, 3=Frequently

		Club Size			
		Large	Medium	Small	Total
Advertising/Promotions	Mean	2.4	1.9	1.8	2.0
	Std. Deviation	.6	.8	.6	.7
Market research	Mean	1.9	1.5	1.4	1.5
	Std. Deviation	.4	.6	.5	.6
Promotions	Mean	1.6	1.5	1.4	1.4
	Std. Deviation	.5	.5	.5	.5
Direct marketing	Mean	1.9	1.4	1.3	1.4
	Std. Deviation	.6	.5	.4	.6
Sponsorship	Mean	1.6	1.5	1.3	1.4
	Std. Deviation	.5	.5	.5	.5
Public relations	Mean	1.6	1.4	1.3	1.4
	Std. Deviation	.5	.7	.5	.5
Marketing	Mean	1.7	1.3	1.3	1.4
	Std. Deviation	.5	.5	.5	.5

The results from the qualitative study suggest that expertise, cost and control of these human resources represents three of the main criteria on which senior managers in football clubs evaluate the feasibility of using third parties.

In the large clubs, a variety of outsourcing can be seen. For instance, at club L1 and club L5, all catering is out-sourced. Club L1 leases the space to the catering contractor in return for a proportion of the contractor's profits. The club regularly uses merchandising and design consultants to work on products, programmes, promotions and publications. L2, L3 and L4 have in-house catering operations. L4 is the only club to maintain all activities in-house as a matter of club policy.

All five middle-sized clubs use third-party contractors. Club M5 uses a third party printing and design company, direct marketing agency, and market research agency. Club M1 uses catering contractors and a printing and design agency. Whilst keeping catering in-house, club M2 uses a third party for telephone bookings and another for printing and design. Club M3 uses an external agency for their 'club-call' operation, but printing and design and catering are in-house operations. Club M4 uses third parties to sell advertising space, maintain its databases and operate its catering and hospitality. The club has also recently used students to develop database packages.

We are starting a corporate client database this year. We have got some students designing it. I was a bit cynical at the beginning ... but what they have come back with is superb and exactly fits of what we required. So the hospitality manager this season will have a full trading history by game and by clients. (CEO, M4).

A similar degree of variety can be seen in the small clubs. Half the clubs out-sourced catering and printing and design requirements were fulfilled by third parties.

The recruitment, background, training and appraisal of employees are important considerations in trying to build a skilled, experienced and motivation workforce. There are clear signs of employee commitment across all clubs. Indeed, one club found that no member of staff had taken more than 25% of their holiday entitlement. Given this level of commitment, senior managers can use a variety of ways to maximise the effectiveness of the human resources that they currently have at their disposal. This should not be overlooked when considering the recruitment of expertise from other commercial sectors.

## **7.4 Systems**

### **7.4.1 Information Systems/Market Research**

Marketing information collection is a vital component of market orientation. Marketing research provides the information which is essential for effective decision making. The questionnaire sought to determine the frequency that several types of marketing

research are carried out within clubs. The overall results are presented in Table 7.19. Two thirds of clubs (66%) carry out regular (*i.e.* every 1-2 years) sponsor satisfaction surveys while 57% of clubs carry out regular supporter satisfaction surveys. Small clubs are less likely to carry out sponsor and supporter satisfaction surveys than their medium and large sized counterparts. Two thirds of clubs (67%) also carry out regular analysis of other club's marketing operations suggesting that many clubs value bench-marking within their industry. It is notable that a number of clubs never carry out sponsor satisfaction surveys (26%), supporter satisfaction surveys (29%) and analysis of other clubs marketing operations (29%).

**Table 7.19 Frequency of Market Research.**

		Club Size						Total	
		Large		Medium		Small		Count	Col %
		Count	Col %	Count	Col %	Count	Col %		
Sponsor satisfaction surveys	Every 1-2 years	11	73%	13	68%	22	61%	46	66%
	Every 3+ years	1	7%	2	11%	3	8%	6	9%
	Never	3	20%	4	21%	11	31%	18	26%
Supporter satisfaction surveys	Every 1-2 years	9	60%	12	63%	19	53%	40	57%
	Every 3+ years	3	20%	3	16%	4	11%	10	14%
	Never	3	20%	4	21%	13	36%	20	29%
Analyses of other club's marketing operations	Every 1-2 years	9	60%	14	74%	24	67%	47	67%
	Every 3+ years	1	7%			2	6%	3	4%
	Never	5	33%	5	26%	10	28%	20	29%

Table 7.20 presents a composite measure of clubs that never do sponsor or supporter satisfaction surveys. Overall 19% of clubs never carry out this type of research, the majority of which are small clubs.

**Table 7.20 Clubs that Never do Any Sponsor or Supporter Satisfaction Surveys.**

market research \* Club Size Crosstabulation Composite

			Club Size			Total		
			Large	Medium	Small			
market research	other clubs	Count	13	16	28	57		
		% within Club Size	87%	84%	78%	81%		
	clubs that never do sponsor or supporter satisfaction survey	Count	2	3	8	13		
		% within Club Size	13%	16%	22%	19%		
		Total		Count	15	19	36	70
				% within Club Size	100%	100%	100%	100%

Respondents in the qualitative study were asked to explain the systems used to carry out market research. In particular, the study examined systems used for customer research and peer analysis.

#### **7.4.1.1 Customer Research**

Some form of research was used by the majority of large and medium-sized clubs to assess customer satisfaction with existing products and services as well gaining feedback on new product and service ideas. The use of research for policy decisions was noticeable with two large clubs (L4 & L2) using market research to canvass opinions on new stadium development. The extent of *research techniques used varied among clubs* of similar size. Two large clubs (L1 and L3) relied on monthly meetings with supporter club members, letters of complaint, and face-to-face match-day contact. Another (L4) carried out on-going quantitative and qualitative research for all areas of the business. Amongst the clubs in this study, a number of different research mechanisms were used to gather information from supporters and corporate clients, including: complaints, questionnaires; fan forums; suggestion and feedback cards; and telephone surveys.

The small clubs tend to use ad hoc customer feedback such as letters received by the club or those published in local newspapers. None of the clubs in the study have a centralised customer service function and, in general, complaints are directed to the manager responsible. All of the large clubs have a policy of replying to the complaint within a certain period of time. At club L3, a response is required within 7 days under ISO9000. The senior managers at S3 and M4 have a policy of following up all complaints personally by telephone.

Several clubs have commissioned their own questionnaires with the aim of gathering useful profiling data on their customers, such as demographic data, usage patterns, attitudes towards products and services, *etc.* These efforts have achieved mixed response rates ranging from 3% to 40%. For instance, questionnaires included in the programmes at a large club had suffered from a low response rate because fans were

reluctant to tear pages out of the programme. One medium-sized club (M4) carried out research among its season-ticket holders and shareholders about products, services and PR. The questionnaire was designed in-house by the Chief Executive and administered to 4000 fans achieving a 10% response rate. The results of the survey were published in two successive match-day programmes. Small clubs have experienced less success and value from questionnaire research. Surveys tend to be limited in terms of the sample frame (*i.e.*, members only, season-ticket holders only) and generally achieve low levels of response. In one instance, a small club (S2) had 2 replies to a questionnaire about their match-day programme.

The majority of large-sized clubs use external consultants or have in-house market research expertise. L4 has centralised all forms of market research design within the club, whereas this was previously undertaken by functional managers who often lacked the specific skills necessary to carry out market research. Cost and staff resources are obviously an issue with the medium and smaller-sized clubs. The CEO of club M4 has had to design and analyse a supporter questionnaire himself and two small clubs have relied on external volunteers to carry out the survey, namely local college students and the supporters club. Club M3 has carried out a supporter survey but the responses have not been fully analysed because of staff shortages.

In summary, the 'DIY approach' to market research within clubs often results in surveys that are deficient in one or more of the following areas; questionnaire design, sampling, response and analysis. The case evidence below indicates good practice in these areas.

### Case Evidence: Market Research in Practice

Club M2 recently carried out a quantitative survey of their supporter base. The broad aim of the survey was to use the information gained to improve decision making in relation to future sales and marketing efforts. The intended target for the research exercise was the non-season ticket holder or 'casual attender' who represents 63% of the club's average attendance of 12,300. Depending on the opposition and nature of fixture, the number of casual attenders varied from a low of 4,500 to a maximum of 18,000. The specific objectives of the survey were fourfold;

- To determine the demographic profile of casual attenders in all areas of the ground.
- To determine the frequency of attendance and factors that might influence this decision.
- To establish distance traveled and mode of transport.
- To determine usage and satisfaction levels of club facilities, products and services.

Although the club had several marketers within the commercial section, it was felt that market research expertise was needed in several key areas, namely; questionnaire design, sampling, generating response, and analysis. The club enlisted the technical support of a University market research unit which offered the advantage of substantial cost savings compared to market research companies but the drawback of relatively slow turnaround.

The self-completion questionnaire was designed and piloted with a small sample of supporters to test for clarity and relevance and subsequent amendments were made before distribution. The questionnaire was relatively short and was designed so that responses could be read using computer and optical equipment. Respondents were sampled over three games that varied in terms of attractiveness and time of the week, providing the opportunity to achieve a more representative spread of opinion. A total of 4,000 questionnaires were distributed with the objective of achieving a response of 1,000 (25% target).

To encourage participation, the club raised awareness of the survey through the club's publications and the local media. Prizes were offered by the club as an incentive to complete and return the questionnaires and return postage was pre-paid. Supporters were given the option of providing their name and address, which the majority did. Over 1,600 fully completed questionnaires were returned, a response rate of 40% which exceeded the original target. The results were analysed using a statistical software package and results of the survey and the club's planned response were communicated through the local media and the club's programme and magazine.

Monthly fan forums are held by every large club but one (L2) which relies on the FA Premier League's supporter research. As well as covering football issues, the forums are used to gather feedback on a range of issues concerning the clubs' commercial activities. Club L4 uses a highly structured approach to feeding information from fan forums into decision making. It holds monthly meetings at the ground and in the community and controls the make-up of the sample through an applications process.



Since his arrival at club L5, the new managing director has held weekly focus groups with the club's various customers and stakeholders over a six month period. Issues arising from the discussions have been published in the club programme and local media and have been incorporated into the club's action plan.

Only two of the five medium-sized clubs have regular fan forums in place, although another two clubs have stated the intention to introduce them as a vehicle for customer research. Three of the four small clubs in the study use fan forums, although they tend to lack regularity and focus only on football issues. In general clubs that have organised fan forums find them to be an extremely useful market research tool, providing they are structured along certain topic areas. Fan forums cost very little to stage and can produce extra bar and food revenue for the club. In addition, several of the clubs commented on the positive public relations role of such events. Two medium-sized clubs have introduced alternative ways to include the views of supporters into the decision making process. Club M1 has an elected representative from the supporters club on their board and M5 has set up a shadow board comprising of elected supporter representatives with whom they have regular meetings.

One medium-sized club (M5) encourages supporters to use comment cards which are available from match-day stewards with post boxes placed around the ground. Two large clubs have mechanisms for the evaluation of *corporate hospitality packages*. One (club L4) uses feedback cards for guests and telephones the client for further feedback within 2 weeks of the event. Another (L5) provides feedback cards on tables and sends a questionnaire to the corporate client within 1 day of the function taking place. The small clubs in the study have no formalised provisions in place to evaluate the quality of corporate hospitality although personal contact on match-days is emphasised.

#### **7.4.1.2 Peer Analysis**

In addition to valuable information from supporters and corporate clients, clubs of all sizes in our study undertake a variety of formal and informal research about other clubs' commercial activities. This type of peer analysis broadly falls into one of two categories; sharing ideas and emulating ideas. The large clubs tend to both share and

emulate ideas from other clubs. In order to emulate other clubs' activities, some large clubs have reviewed the content of other clubs' programmes, corporate brochures, membership schemes and have undertaken studies of other grounds. They also share ideas in areas such as satellite beam-back services and the setting up of radio stations.

I share a lot of information with half a dozen clubs. These are people I have met and have developed relations with. (General Manager, L3)

That's the thing I found surprising when I first joined. You could just phone somebody up at another club and they'd tell you everything about what they do and you could take it away and replicate that because they do not see us as competition off the field. Clubs are not competitors to us, except on the football field, so it's a free-flow of information. We get the Chief Executives from all over coming to have a look around and we're quite happy to show them what we do. (Business Development Manager, L4).

In general, managers from large clubs feel that since they are not competing against each other for fan expenditure, a high frequency of contact and collaboration would be useful. These views of collaboration are also seen in medium-sized clubs which also emulate ideas from others by attending away games and encouraging managers to carry out competitor-style analyses. Only one small-sized club actively collaborates with other clubs.

The majority of managers in the study do not believe that any single club has achieved excellence in all areas of commercial activity. Instead, clubs are perceived to excel in particular areas. These included Manchester United (merchandising and branding), Newcastle (Merchandising), Leicester (corporate hospitality, own-brand merchandise, community scheme), Preston (own-brand merchandise) Norwich City (community scheme), Middlesbrough (stadium catering), Sunderland (pre-match entertainment).

In addition to monitoring other clubs activities, the larger clubs take subscription to several trade and marketing magazines such as Soccer Investor/Analyst and Marketing/Marketing Week to keep abreast of developments. In the absence of a centralised football marketing clipping service, one large club (L2) has set up its own clippings database for benchmarking purposes.

### 7.4.2 Technology and Database Systems

Questionnaire respondents were asked if the club had computerised databases for several customer groupings. Table 7.21 shows that all large clubs have databases for sponsors/advertisers, corporate clients and their members. The results show that the extent of use of databases is related to club size with a fifth of medium sized clubs (21%) and a third of the small clubs (33%) not having a database of corporate clients or sponsors/advertisers.

**Table 7.21 Computerised Databases.**

		Club Size						Total	
		Large		Medium		Small		Count	Col %
		Count	Col %	Count	Col %	Count	Col %		
Members	Yes	15	100%	17	89%	29	81%	61	87%
	No			2	11%	7	19%	9	13%
Corporate Clients	Yes	15	100%	15	79%	24	67%	54	77%
	No			4	21%	12	33%	16	23%
Sponsors/advertisers	Yes	15	100%	15	79%	24	67%	54	77%
	No			4	21%	12	33%	16	23%

The use of databases and information technology is evident in all the large clubs in the qualitative study. Differences, however, arise in their integration, application and relevance towards discrete marketing activities. Club L1 has a database of 200,000 names which has been developed without the need to purchase mailing lists from external sources. The manager responsible for the database is also responsible for internet facilities in order to ensure further important data capture. The club has invested over £150,000 in its IT network, although merchandise and mail order has yet to be fully integrated into the system. The ticketing system developed and used by the club has been sold to others in the region.

Despite corporate links with an IT supplier, club L2, has not achieved an integrated IT/database resource. The club recognises that it needs a professional database to make use of the 100,000 names known to it. It has a mail out calendar which organised by a single person in the commercial department. Club L3 is currently in the process of updating its database, although the club recognises that this resource could be used to a far greater extent than is currently the case. A further limitation is the task of integration with ticketing. Whilst a data capture package is used for corporate customers, it is not a

relationship marketing package. Club L4 has limited database technology for corporate customers, although the club's database manager is currently undertaking a revision of database contents, following a recent £15,000 investment in new system.

In the past two years, club L5 has moved from a manual corporate database to an electronic facility, which is used to facilitate customer contact for corporate sales. This is but one of four databases used by the club. The club's supporter database consists of 14,000 season ticket holders and 7,000 members. A further database details schools, junior football clubs and youth clubs. The community officer has another database for his contacts. The club's IT manager is responsible for all databases and is responsible for IT within different departments.

The medium-sized clubs have widely different provisions and experiences in the use of information technology and databases. One club (M1) has very basic computer technology and no modern databases.

When I came to the club a year ago I could not believe the state of the technology. There were no meaningful databases it was all done on manual files. (Managing Director, M1)

In contrast, club M2 has a community database (schools, *etc.*), a business database (compiled from Chamber of Commerce lists and local media analysis) and a recently 'cleaned' and updated supporter database (used to mail-shot 18,000 season ticket holders). M3 has a customer contact system which is linked to tele-sales and is seen by commercial staff as a key facilitator for increased corporate related revenues.

Our customer contact system is dedicated to a tele-sales and is able to print up contracts immediately. We prioritise the customers on a scale from a to e – from 'a' customers who are those which have a shirt or stand sponsorship down to 'e' customers who we have spoken to but do not want to do anything with us at present. It's an off-the-shelf package which has been adapted and is networked so that everyone within the office can go into the commercial database which will give a history of who spoke to who and about what. I can get the computer to remind me to call people which means that I am chasing people up and forcing them to make decisions. It works very well and has transformed the efficiency and the amount of sales that we have done. We are probably generating three times as much revenue as when I joined the department, with no more staff. (Corporate Sales Manger, M3)

The existence of databases does not necessarily imply that they are integrated. Club M4, for example, has four databases but the CEO considers the lack of an integrated database as one of the major weaknesses in the club's IT systems. The club further demonstrates that the volume of a database does not always reflect its quality. Its database of 12,000 entries included 5,000 duplicates. Other databases (such as the community database) have recently been bought in although there is no system for updating records following community visits. The club has recently used students to develop a corporate hospitality database system.

Club M5 is an example of a club in the process of developing IT systems for use in marketing and commercial activities. In the last year it has bought in a database of 2,000 local companies and has established a supporter database with 11,000 entries. Already, the benefits of such a system have been realised (See case evidence below).

#### **Case Evidence: Database Information in Practice**

"Going back 15 months we did not have a database so we did not know who our supporters were. We built up our database to about 11,000 from various internal records and a survey carried out with the ICD consultancy. We were starting to make decisions based on fact and data. We did a postal code analysis of our supporters and then did a number of overlays. So, for example, we put a media overlay on the data. We found that about 65% of our supporters live in the area which is covered by one of the media that we use. Unfortunately the remaining 35% are all over the place. This was one of the driving forces in setting up the satellite supporters groups and it is where direct mail has to come in use for us.

The exercise flagged up a number of things and has a huge bearing on not just the media choice and communications but also where we would have our merchandising shops. It gave us leverage to approach sports retailers to stock our goods and we offered to mail our customers to inform them that the retailer stocks our products. The data also gave us direction in where to run soccer courses and community courses. The data also had a huge bearing on starting the park and ride service we set up in conjunction with a locally based corporation who obviously don't have many staff coming in on Saturday and have a huge car park. We were starting to make decisions based on fact and data." (Sales & Marketing Manager, M5)

The greatest variation in the use of information technology and database systems can be seen in small clubs, where few clubs have anything other than a basic database of season ticket members and computer based bookkeeping/accounting. The commercial managers at S2, S3 and S4 appeared to have little knowledge of their target market/population size (both supporter and corporate). Club S4 has no databases for supporters or corporate clients despite the fact that gate systems and management accounts are computer-based. S2 uses an equally unsophisticated method of storing information on corporate clients – a black book. This club had been dissuaded from the use of its membership/season ticket information for marketing purposes when it received complaints based around data protection issues. The chairman has recently decided to commission an IT audit to identify the club's IT and training needs. Club S3 has recently developed a basic database for season ticket members and a similar system is under development for corporate clients following the recent arrival of a new commercial manager. In contrast, club S1 has an extensive database covering fans, schools and corporate clients, although the use of technology has not reached conferencing and banqueting, where cash-books were still in use.

### **7.4.3 Planning Systems**

Planning is mainly concerned with allocating resources across functional activities to create a sustainable competitive advantage. Several questions were included in the questionnaire in order to ascertain the extent of business and marketing planning within the clubs.

Strategic planning determines how the club will compete as a business and meet its objectives. It allows the organisation to make things happen rather than letting them happen. Questionnaire respondents were asked if the club carries out strategic planning and were also asked how far ahead the club plans their business activities. Table 7.22 shows a crosstabulation of the results from the two questions. A quarter of all clubs (26%) do not carry out strategic business planning, the majority being small and medium sized clubs. A quarter of clubs (26%) claim to carry out strategic planning but state that the time horizon for the plan is just one year betraying an essentially tactical

approach to planning. Half of the clubs (49%) carry out 2-5 year strategic planning although the large clubs (80%) are more likely to carry out such planning than the medium (42%) and small (39%) clubs. The smaller the club the less likely they are to carry out medium to long term strategic planning.

**Table 7.22 Strategic Business Planning/Time horizon**

Q27&Q28 \* Club Size Crosstabulation

		Club Size			Total
		Large	Medium	Small	
no strategic planning	Count	1	5	12	18
	% within Club Size	7%	26%	33%	26%
strategic planning (2-5 year)	Count	12	8	14	34
	% within Club Size	80%	42%	39%	49%
strategic planning (1 year)	Count	2	6	10	18
	% within Club Size	13%	32%	28%	26%
Total	Count	15	19	36	70
	% within Club Size	100%	100%	100%	100%

One measure of corporate attitudes towards marketing is the role that marketing plays in the club's strategic business planning process. This role should be significant as many of the key variables within the industry environment are often identified through marketing activities. The results highlighting the extent of marketing input into the clubs strategic planning process are presented in Table 7.23. Three quarters of the 52 clubs (75%) reported at least a major marketing input into the club's strategic planning process. This suggests a realisation within most clubs of the importance of *marketing's* contribution to commercial operations. The table shows that marketing is more likely to lead strategic planning within the large clubs. 29% of small clubs report no or limited marketing input into the business' strategic planning process compared to 21% of large and medium sized clubs.

**Table 7.23 Extent of Marketing Input into Strategic Business Planning.**

		Club Size			Total
		Large	Medium	Small	
No or limited input	Count	3	3	7	13
	% within Club Size	21%	21%	29%	25%
A major input	Count	7	9	13	29
	% within Club Size	50%	64%	54%	56%
Marketing leads strategic planning	Count	4	2	4	10
	% within Club Size	29%	14%	17%	19%
Total	Count	14	14	24	52
	% within Club Size	100%	100%	100%	100%

Marketing planning is the planned application of marketing resources to achieve marketing objectives. The marketing plan should be the central instrument for co-ordinating and directing the marketing effort. One question in the survey sought to address the extent of marketing planning within the clubs, in terms of the type of plans produced and the planning time horizon. The overall results are shown in Table 7.24

Overall less than a quarter of clubs (23%) develop annual and longer term plans with shorter term planning in the form of annual budgeting (39%) and separate annual plans (26%) being the most popular form of planning in clubs. 13% of all clubs carry out little or no marketing planning. The extent of formal marketing planning varies by club size. Large clubs are more likely to carry out annual and longer term marketing plans while medium and small sized clubs are more likely to limit their marketing planning to annual budgeting. Nearly half of the large clubs (47%) carry out annual and longer term marketing plans as opposed to only 21% of medium sized and just 14% of small clubs. The majority of small clubs (47%) and medium sized clubs (42%) limit their marketing planning to annual budgeting while one in six small clubs (17%) carry out no or little marketing planning. The table also highlights the variability in the extent of marketing planning between clubs of similar size.



**Table 7.24 Extent of Formal Marketing Planning.**

		Club Size			Total
		Large	Medium	Small	
Little or none	Count	1	2	6	9
	% within Club Size	7%	11%	17%	13%
Limited to annual budgeting	Count	2	8	17	27
	% within Club Size	13%	42%	47%	39%
Seperate annual marketing plan	Count	5	5	8	18
	% within Club Size	33%	26%	22%	26%
Annual and longer term plans	Count	7	4	5	16
	% within Club Size	47%	21%	14%	23%
Total	Count	15	19	36	70
	% within Club Size	100%	100%	100%	100%

The nature and extent of marketing planning systems varies between the sample clubs within the qualitative study.

In general, large clubs tend to have planning systems in place, although some variation between them exists. At club L1, only financial budgets and forecasts are produced. Such documentation does not make reference to how objectives are to be achieved. At club L3, the general manager requires each functional manager to complete a budget pro-forma. However, the club appreciates the need to move away from planning as merely a numerical activity.

There is not a written business plan at the top. There is a well documented numerical plan. The concept of a business plan and a well documented plan around your numbers is an essential ingredient. We may consider doing this in the next budgeting period. *There* is the tidying up and sharpening up of the business planning process by more narrative, more details of action planning elements. We tend to do that from monthly meetings that we have, but we don't put it down in writing. (General Manager, L3)

At club L2, narrative has been added to the planning process to produce marketing and commercial plans. They include target markets and related strategies developed in conjunction with the senior commercial manager. However, the club does not have a formal corporate plan, covering all aspects of the business. Similarly, at club L4, each departmental manager is required to produce an annual budget and action plan, which is subsequently timetabled in conjunction with members of their respective teams. Functional managers work with the internal marketing services team to develop marketing communications and research activities. At club L5, the managing director

has developed a three-year plan, with the assistance of management consultants, which is reviewed annually. Underlying the plan is the assumption that the club will not be promoted or relegated. Departmental plans are developed individually and contain financial and written explanatory elements. Once completed they are combined to provide an overall corporate plan. .

The medium-sized clubs tended to vary more widely than their larger counterparts in terms of planning sophistication. Club M1, for example, had no planning systems in place until the recent arrival of a new managing director. Decisions were predominantly reactive, and geared towards the very short term. *i.e.*, the team's next game. The club is now working toward the introduction of a new planning system and the introduction of budgets at departmental level that are individually negotiated and agreed with the managing director.

Before the managing director arrived a year ago everything was a fire fighting exercise, there was no planning. The phrase you would offer here is " I can't stop now I've got to get the game on". There was no forward thinking, no forward planning, everything was geared to the coming match. There would be no consideration for the financial merits of each activity. The cultural panic no longer prevails although we still have our crises because we are in a transitional period. (Business Development Manager, M1)

Clubs M2 and M5 both take a more strategic approach to their planning. By having a lesser reliance on budgets these clubs have introduced mission statements and a process leading to written strategic and tactical plans. M5 has a five year strategic plan which forms the basis of the annual tactical plan. From the strategic plan, departmental managers develop their own plan in collaboration with the sales and marketing manager. This ensures that there is greater ownership of the plans in the organisation and is seen by the club as a vital factor in the successful implementation of change.

We sat down with the board and discussed where we wanted to go with the business. Without vision everybody in the organisation may be going in different directions. We needed to change the way people were thinking about the business, football and non-football. The vision statement and the mission statement encompass the whole business. Our vision is to sustain Premiership football. The mission is the vehicle that will enable us to reach the vision. The mission is to create financial security to achieve our vision. (CEO, M5)

At club M2, managers begin the planning process before the end of the football season and a schedule of activities is developed. Line managers must bid for and justify additional resource allocations.

We run a business where we have a five-year plan which is renewed annually. Each department is accountable for their own business. They produce a broad marketing plan for the year. Each plan will link in to the budget. There is a structure, there is a process that builds through what they are going to do and what revenues they are going to generate. I then present a consolidated plan to the Chairman. (Director of Marketing, M2)

At M4, a top-down approach to planning is used. The CEO expects managers to produce business plans and provides personal support and training for this. This is in response to the lack of planning and reporting systems within the club upon his arrival, soon after the club's takeover, and the relative inexperience of staff. At club M3, departments are organised as profit centres. Despite the apparent organisation for planning, the only such activities are an annual meeting between the marketing and financial managers to agree targets. No formal documents are produced and not all departments are included in this process. For example, the merchandising manager does not have to produce a business plan and is not involved with the annual target-setting meetings. At M3, a yearly promotional budget is not ring-fenced with funding made available on a project by project basis. The marketing and promotions manager commented on the difficulty of forecasting in professional football clubs because of the reliance on team performance. This highlights the need for scenario planning and forecasting.

Planning activities in the small clubs were minimal and centred around setting budgets with decision making at board level. Club S4 produces neither plans nor budgets.

We do not believe in budgets, forecasts or plans because (with so many changes happening in football at the moment) it is just an absolute waste of time. I work with the chairman a lot and we generally do not believe in budgets and forecasts unless you have to produce them to get money from the bank. To be honest with you, I think most of the figures are just pie in the sky. There is no point in doing it. (Managing Director, S4)

#### 7.4.4 Control Systems

The qualitative study examined the types of control systems in place within the sample clubs.

Each of the large clubs operates on a cost centre or cost and profit centre basis for individual departments, enabling the production of detailed management information for decision makers on a monthly or quarterly basis. Some small differences could be seen. At club L2, TV and Sponsorship revenue is treated separately as general club revenue. Club L1 and club L3 have sophisticated management accounting systems which provide management with sales, costs and profit contribution information for all areas of commercial activity. L3's system enables managers to have catering sales information available by 6pm on match-days. The system is able to produce detailed analyses of revenue streams within two days and departmental accounts are produced within two and a half weeks. This enables managers to evaluate variances in performance. At club L5, management information systems are being used to analyse spending patterns among supporters.

Because of the rapid expansion of commercial activities at club L4 in such a short period of time, the management place great emphasis on control systems and generate both 'hard' sales and profit contribution data as well as 'soft' data such as customer satisfaction and promotional evaluation data. The drive for efficiency at L4 has taken on greater significance since the club's flotation and the associated increasing need for transparency. One of the club's general managers recently carried out an 'efficiency drive' across all areas of the business in conjunction with the departmental managers. The availability of meaningful financial data was seen as essential to the success of the exercise.

Medium-sized clubs are less well developed in this respect. M1, for instance, has not used financial data as a control system and profit centres are a recent innovation. Conversely, M2 is an example of a club which uses control systems in all areas of commercial activity. For example, the PR manager provides the board with a monthly

presentation of the coverage that the club has received in the local, regional and national media.

Despite systems being in place, club M3 shows that financial and reporting systems do not necessarily lead to evaluation. At this club, the merchandising manager receives a financial report on a yearly basis but is not set targets nor evaluated by the club's management. Club M4 has introduced cost centre accounting approaches in conjunction with monthly meetings with departmental managers, where performance is reviewed. However, the club has yet to integrate merchandising activities fully into this system. In spite of its sophisticated planning approaches, club M5 does not fully evaluate the effectiveness of its promotional activity although it has recently appointed a direct marketing agency on a payment by results basis.

Unlike in many other aspects of marketing activity, there is little difference between small clubs and their medium-sized counterparts in terms of control systems. This could be attributed to the legal requirements to produce accounting and financial information. Club S1 has established a system of separate profit centres and produces monthly accounts against which variances can be identified. Managers are required to report to their appropriate director to discuss financial performance and provide a basis for directors' discussions in board meetings. Evident, however, among the other small clubs was the inflexibility of the management information available for decision makers. This could be seen in the lack of availability of commercial information for managers responsible for marketing activities (S2, S3 and S4). As a result these same clubs also found it difficult to produce information such as catering spend per spectator, kit/non-kit sales ratios, *etc.*

## **7.5 Shared Values/Style**

The questionnaire attempted to gauge club's attitudes towards marketing in several ways. Measures included the relative status of the marketing department to other functions, representation of marketing at board level, and the perceived role of marketing at the club.

Respondents were asked to assess the extent to which a number of statements reflected marketing within their club. The first three statements reflect what marketing does *ie.* the function. Statements four and five are intended to assess the extent to which marketing is seen as a purely departmental concern or alternatively a philosophy which directs the organisation's activities. The final statement was included for any clubs that may not practice marketing to any recognisable degree. The mean score results are presented in Table 7.25.

**Table 7.25 Role of Marketing in Club (mean scores).**

1 = not at all, 2 = to some extent, 3 = exactly

		Club Size			
		Large	Medium	Small	Total
Marketing is primarily a selling function	Mean	2.2	2.4	2.4	2.3
	Std. Deviation	.8	.5	.6	.6
Marketing promotes our products and services	Mean	2.7	2.6	2.7	2.7
	Std. Deviation	.5	.5	.5	.5
Marketing is identifying customer needs	Mean	2.5	2.5	2.5	2.5
	Std. Deviation	.5	.5	.6	.6
Marketing is confined to the marketing/commercial dept.	Mean	1.5	2.0	2.0	1.9
	Std. Deviation	.6	.7	.8	.8
Marketing is seen as a guiding philosophy for the whole club	Mean	2.3	1.8	1.9	2.0
	Std. Deviation	.6	.7	.7	.7
Marketing is non-existent in our club	Mean	1.1	1.2	1.3	1.2
	Std. Deviation	.3	.4	.4	.4

Most clubs appear to see marketing as a function with emphasis on identifying customer needs and selling and promoting products and services. However not all clubs see marketing as a guiding philosophy for the organisation. For clubs to be truly marketing oriented, the belief that the club's customers are central to its operations needs to pervade all functional areas of the club. There are many functional areas within the club whose activities will have a direct impact on the club's customers and publics *e.g.* ticketing services, stadium services and security/stewarding, community work, how players deal with media *etc.* The mean score results suggest that the large clubs are more likely to view marketing as a guiding philosophy for the whole club and less likely to see it confined to the marketing or commercial department. Table 7.26 shows that marketing is not seen as a guiding philosophy for a third of medium sized clubs (32%) and over a quarter of all small clubs (28%).

**Table 7.26 Marketing as a Guiding Philosophy.**

			Club Size			Total
			Large	Medium	Small	
Marketing is seen as a guiding philosophy for the whole club	Not at all	Count	1	6	10	17
		% within Club Size	7%	32%	28%	24%
	To some extent	Count	9	10	19	38
		% within Club Size	60%	53%	53%	54%
	Exactly	Count	5	3	7	15
		% within Club Size	33%	16%	19%	21%
Total	Count	15	19	36	70	
	% within Club Size	100.0%	100.0%	100.0%	100.0%	

Representation of marketing at board level gives an indication of the importance attached to marketing within the senior corporate decision making unit. Table 7.27 shows that marketing is represented at board level in 39 clubs (56%) although the CME job title results presented in table 7.28 show that only 12 clubs have marketing or commercial executives at Director level. A third of large clubs (33%) have marketing or commercial directors compared to 17% of small clubs and just 5% of medium sized clubs. This suggests that there is a lack of marketing presence at the strategic decision making body of many clubs.

**Table 7.27 Representation of Marketing at Board Level.**

		Club Size			Total
		Large	Medium	Small	
Yes	Count	6	12	21	39
	% within Club Size	40%	63%	58%	56%
No	Count	9	7	15	31
	% within Club Size	60%	37%	42%	44%
Total	Count	15	19	36	70
	% within Club Size	100%	100%	100%	100%

**Table 7.28 CME Job Title.**

			Club Size			Total
			Large	Medium	Small	
Job title	Marketing/Commercial Director	Count	5	1	6	12
		% within Club Size	33.3%	5.3%	16.7%	17.1%
	Marketing/Commercial Manager	Count	9	14	24	47
		% within Club Size	60.0%	73.7%	66.7%	67.1%
	Other	Count	1	4	6	11
		% within Club Size	6.7%	21.1%	16.7%	15.7%
Total	Count	15	19	36	70	
	% within Club Size	100.0%	100.0%	100.0%	100.0%	

A further measure of corporate attitudes towards marketing can be obtained by comparing the relative status of marketing to other departments or functions within the club. Table 7.29 shows the respondent's opinions on the relative status of the marketing/commercial function. It should be remembered that the respondents were Chief Marketing Executives and therefore this may have biased their perception of the status of marketing within the club.

**Table 7.29 Relative Status of the Marketing/Commercial Function (mean scores).**

1 = lower status, 2 = equal status, 3 = higher status

		Club Size			
		Large	Medium	Small	Total
Community relations	Mean	2.5	2.6	2.4	2.5
	Std. Deviation	.5	.6	.6	.6
Ticketing	Mean	2.5	2.2	2.3	2.3
	Std. Deviation	.5	.7	.7	.6
Safety/ground	Mean	2.3	2.3	2.1	2.2
	Std. Deviation	.6	.7	.7	.7
Finance/accounts	Mean	2.2	2.1	2.1	2.1
	Std. Deviation	.6	.7	.6	.6
Club administration/	Mean	2.0	1.9	1.9	2.0
	Std. Deviation	.8	.7	.7	.7
Playing/ team management	Mean	1.3	1.3	1.5	1.4
	Std. Deviation	.6	.6	.6	.6

The majority of clubs see the marketing function as equal or higher status than each of the other functional areas within the club, with the exception of playing/team management. It is not surprising that marketing function is perceived to be of lower status to the playing side of the club. However with the growing importance of non-gate revenues to clubs and the symbiotic relationship between commercial success and



playing success one would perhaps expect the marketing and commercial function to take on greater importance within the clubs than is presently shown.

The qualitative study examined the attitudes towards marketing, and in particular, the role of top management in shaping shared values within the clubs. Within the sample clubs there are, not surprisingly, mixed attitudes toward the role of marketing.

At club L4, few members of the board were in favour of the appointment of a new marketing director in the early 1990s, although the composition of the board in recent years has moved towards those with commercial backgrounds.

When I first came here, three of the board members did not want a marketing director and four of them did. So three of them had got no vision at all about going forward, and were just happy for the club to toddle along as it was. The other four board members realised that they needed to bring somebody in to take the bull by the horns. I did not even have a job description! They knew they wanted a marketing director but they didn't even know what a marketing director's role was! So I had to write my own job 'spec'. (Managing Director, L2)

The topic of job descriptions also arose at club L2 where, in the absence of a chief executive officer or a marketing director, the chairman has had direct involvement in recruiting marketing staff. Perhaps reflecting his lack of understanding of the commercial side of the business, the chairman gave the newly appointed commercial manager a job description of less than one A4 side of paper, which included tasks such as the distribution of bibs to club stewards.

When I came here, in 1995, I was given a job description and it was one sheet of A4 paper which I could show you, as I kept it as a souvenir. It was a bit embarrassing really for this type of job. It was just things like giving out bibs to stewards on match day and that type of thing. (Commercial Manager, L2)

At club L3, the marketing imperative can be traced directly to the financial support received from companies in the mid-1980s. The move to a brand new stadium with new ownership after a period of administration allowed the club to make a 'clean break' from their management inertia. At club L5, the managing director has taken a balanced view of the two main areas of the club – sport and commerce, having been a player in the past and subsequently forging a successful career in services management.

Things are better since the appointment of the Managing Director because he is very customer service and supporter oriented. I think that was one of our most worrying aspects about having a new chief executive because we could have appointed some high-flyer from London who has got no understanding of the ethos of the community and the implications could have been vast. The Managing Director understands the background to the club and where it is going and, because of his playing background, it has helped bridge those gaps. (Corporate Commercial Manager, L5)

Among the medium sized clubs, three have clearly undergone periods of transition from a non-commercial philosophy to a more market oriented approach. At club M1, the part-time board members are perceived as having an interest purely based on the football team rather than the business as a whole. Prior to the appointment of the new managing director, commercial activities were limited, with player sales representing a large proportion of non-gate revenue.

The football industry has always operated on a 'mish-mash' structure with low pay. Those running the game have always used the option of selling a player to make up for lost revenues. The philosophy was to leave the commercial function to producing programmes and selling match-ball sponsorship. This was what I found when I arrived a year ago. When I had my first meeting I asked what was going on financially for the next six months and I was told that we would be selling a player on deadline day. I concentrated my first three months of trying to turn that financial equation around so we could summon in players rather than sell. (Managing Director, M1)

The case of club M1 highlights the point that the appointment of a senior management executive does not necessarily mean that the club will become more market oriented. The arrival of the new managing director, in place of the outgoing chief executive, has heralded a transition towards a greater investment in commercial activities underpinned by marketing expertise.

Prior to the appointment of the Managing Director a year ago, we did have a Chief Executive but his role was mainly administrative, he was not commercially minded. From a commercial point of view, you were always going to operate in a vacuum. This speculate to accumulate policy was never really in place, all commercial initiatives were seen as a cost (Business Development Manager, M1)

Whilst changes have been made to the commercial structure, systems and staffing within club M1, a change in attitudes and beliefs is proving to be a more protracted challenge.

The culture I would say has not changed very much, what has happened is that we have had the organisational change. The next stage is to change the culture. The non-playing side of the club has been neglected. This business plan is my plan it is not theirs and I need them to take ownership of the plan. There has got to be a big cultural change and that needs investing and it takes time... The fact that we have all floated as clubs means that the various functions and revenue streams within the club need to be more accountable for more transparent in terms of their revenues and costs. (Managing Director, M1)

At Club M3, an acceptance of marketing activities began when a new board was appointed four years ago. With changes in the organisational structure and the adoption of new technology, the chairman has led a re-orientation of the club toward a focus upon corporate and media sales and widening the supporter base.

Since the new board took over three years ago, the club has turned around dramatically. Basically it has been kicked into the 20<sup>th</sup> Century. The Chairman is really the key to everything. He was invited to join the board of directors some three years ago. He is a young man, 42 when he joined, and had made a personal fortune through his own businesses. He eventually took over the chairmanship in that three-year period and it is no coincidence that, since then, the club has been rejuvenated. (Sales Manager, M3)

Club M2 have also benefited from having a 'hands on' chairman with a successful commercial background and one who recognises the importance of investing in marketing. After recently appointing a Director of Marketing the senior management have set about trying to change the beliefs and attitudes of the staff.

We are trying to get the staff to buy into our vision and strategy. We have a vision statement and have put it on cards so they can put them on their desk. The fact that we have produced a mission statement says that we have gone through a process, which says, "look this is what we are trying to achieve guys. We will help you do it but, if you don't believe in it, goodbye". (Director of Sales & Marketing, M2)

Club M5 have also experienced a change in attitudes, driven by the appointment of the current chairman, who has invested heavily in a change management training programme. At Club M4, the CEO has driven through an overhaul of the club's structure and staff in a short space of time but is aware of his, and the club's, deficiencies in the commercial field in the absence of a marketing director.

I would see my main strength as finance. My previous company is a very finance based company. I find certain elements of marketing and promotion quite difficult to be honest. (CEO, M4)

Club S3 and S4 are owned by local self-employed businessmen who have made their money in building and double glazing. At these clubs a sales-oriented approach has tended to predominate with commercial managers focusing primarily on selling sponsorship, advertising and corporate hospitality packages. Club S1 have taken a positive approach to marketing and hired a sales and marketing manager with considerable experience, and a drive to proactively market the club to its various stakeholders. At Club S2 the philosophy of the club is more geared towards developing young players, and selling them on to larger clubs. This strategy has proved highly successful in the past although the chairman is aware of the need to expand the commercial operations, particularly in light of new developments to the stadium, and has taken on a more 'hands on' role since retiring from his 'day job' at a major multi-national.

The Chairman has had such a good background, in marketing and sales, and we learn a lot off him. Things used to get done very slowly but do not now because he is more involved as a chairman on a day-to-day basis. (Marketing manager, S2)

## **7.6 Strategies**

Questionnaire respondents were asked to state the relative degree of importance that was attached to a number of marketing objectives. The relative importance attached to these objectives is presented in Table 7.30. which shows that CME's attach some degree of importance to all the objectives stated. Sponsorship, advertising and corporate client revenue are considered to be the most important marketing objectives for CME's which is consistent with marketing management's responsibilities stated earlier in the report. The objective of increasing membership is seen as relatively less important which suggests that many clubs are in the early stages of developing relationship marketing strategies. Catering and conference and banqueting revenue is seen as more important to the larger clubs perhaps reflecting their superior stadium facilities. The standard deviation scores suggests some variability between clubs of similar size.

**Table 7.30 Marketing Objectives (mean scores).**

1 = vey unimportant, 5 = very important

		Club Size			
		Large	Medium	Small	Total
Sponsorship/ advertising revenue	Mean	4.9	5.0	4.8	4.9
	Std. Deviation	.3	.0	.8	.6
Corporate client revenue	Mean	5.0	5.0	4.5	4.8
	Std. Deviation	.0	.0	.9	.7
Merchandise revenue	Mean	4.5	4.1	4.4	4.4
	Std. Deviation	1.1	1.3	.7	1.0
Attendance levels	Mean	4.3	4.4	4.3	4.3
	Std. Deviation	1.2	.9	.9	1.0
Club/ player image	Mean	4.3	4.2	4.3	4.3
	Std. Deviation	1.0	1.1	1.0	1.0
Season ticket sales	Mean	4.3	4.3	4.1	4.2
	Std. Deviation	1.3	1.0	1.0	1.1
Lottery revenue	Mean	3.9	4.2	4.2	4.1
	Std. Deviation	1.4	1.1	1.1	1.2
Catering revenue	Mean	4.6	3.9	4.0	4.1
	Std. Deviation	.6	1.5	1.3	1.2
Membership levels	Mean	4.3	4.0	3.8	3.9
	Std. Deviation	1.2	.9	1.2	1.1
Conference and banqueting revenue	Mean	4.7	3.9	3.6	4.0
	Std. Deviation	.5	1.3	1.5	1.4

Questionnaire respondents were asked to state the relative degree of importance that was attached to a various elements of their marketing strategy. The relative importance attached to these elements is shown in Table 7.31. A number of elements were outside the focus and locus of marketing management control such as style of play, winning team and competitiveness of Division. Not surprisingly the CME's considered a winning team and the overall image of the club to be very important elements in helping them achieve their marketing objectives emphasising the symbiotic relationship between playing success and commercial success. Surprisingly promotions are considered to be the least important element in club's marketing strategy This suggests that some clubs are not fully utilising promotional tools to help increase revenue particularly in the area of attendance levels.

**Table 7.31 Marketing Strategy Elements (mean scores).**

1 = very unimportant, 5 = very important

		Club Size			
		Large	Medium	Small	Total
Image of club	Mean	4.5	4.8	4.5	4.6
	Std. Deviation	1.1	.4	.8	.8
Winning nature of team	Mean	4.3	4.8	4.4	4.5
	Std. Deviation	.9	.4	.9	.8
Publicity	Mean	4.5	4.6	4.4	4.4
	Std. Deviation	.6	.5	.8	.7
Ground facilities	Mean	4.5	4.5	4.4	4.4
	Std. Deviation	1.1	.6	.7	.8
Community relations	Mean	4.5	4.4	4.4	4.4
	Std. Deviation	.8	.6	.9	.8
Pricing	Mean	4.3	4.5	4.3	4.3
	Std. Deviation	.9	.8	.8	.8
Media relations	Mean	4.4	4.1	4.2	4.2
	Std. Deviation	.6	.8	.8	.7
Advertising	Mean	4.3	4.3	4.1	4.2
	Std. Deviation	.9	.8	.9	.9
Direct marketing	Mean	4.4	4.4	3.8	4.1
	Std. Deviation	.8	.5	1.0	.9
Style of play	Mean	4.1	4.2	3.7	3.9
	Std. Deviation	.9	.7	1.1	.9
Competitiveness of division	Mean	3.7	4.1	3.7	3.8
	Std. Deviation	1.0	.6	1.0	.9
Players' star status	Mean	4.3	4.0	3.5	3.8
	Std. Deviation	1.0	.8	1.1	1.1
Location of club	Mean	3.9	3.6	3.7	3.7
	Std. Deviation	1.2	1.2	.8	1.0
Promotions (give-aways,	Mean	3.7	3.7	3.7	3.7
	Std. Deviation	.9	.9	.9	.9

The qualitative study examined, in greater detail, the nature of the various marketing strategies that were being carried out by the sample clubs, with particular focus on: merchandising; conference and banqueting; ticketing; corporate sales; publications and media; community activities; membership schemes and supporters clubs; and public relations, communications and branding.

### 7.6.1 Merchandising

Several aspects of the clubs' merchandising strategy were analysed including retail presence, kit and non-kit branding, and licensing.

All of the large clubs have modern stores at the grounds and most have stores located in the local area (shopping precincts and nearby towns). Revenue from merchandising has grown considerably in recent years for these clubs. For example, five years ago, club L1 was generating £250,000 per year from one club shop. Now they are generating £12,000,000 from five shops. In addition to retail presence, four of the five large clubs (L1, L2, L3 and L4) have mail order operations and three of these clubs (L1, L2 and L4) have internet shopping facilities. This distribution channel has proved beneficial in facilitating sales to overseas fans (particularly for those with foreign players) and providing a method for further data capture. This latter reason is particularly important for clubs facing the problem of having a high proportion of season ticket holders, providing fewer new supporters to buy merchandise at grounds. One of the large clubs has several well known foreign players, to which the club has global merchandising rights, but has no internet presence.

Clubs have varying experiences in branding, launching and distributing replica football kit. The key issue highlighted by most commercial managers is the balance between brand power and management control. Three of the large clubs (L2, L1 and L5) have their kit manufactured and branded by well known sports clothing manufacturers. This strategy offers clubs the benefits of an advance cash payment, access to distribution channels and the kudos of being associated with a well known brand. Club L1, for example, has opted for the brand *presence and distribution* capabilities of a major sports clothing manufacturer in the light of its burgeoning fan base (which is geographically dispersed) and the lower sales previously generated from a less well known branded sportswear producer.

Only one of the large clubs in the study produced their own-branded kit, enabling the club to control distribution and prices in the context of their regional rather than national or international appeal. This club has found that own-brand production has led to margins of 65% as opposed to the 35% earned when the club used a branded supplier in the past. Control over distribution also enables the club to ensure that there is a differentiation in club shops, thereby increasing direct sales and cross selling opportunities of non-kit merchandise. Club L5, which has a similar regional rather than

national following, are considering reverting to an own-brand strategy for their kit in the near future after unhappy experiences with brand manufacturers and merchandising consultants.

There is nothing wrong with stocking power brand items as long as it is limited and controlled. In some cases you end up with the brand having the full range of items in the club shop. Brands do try to take over and its to the detriment of the club. The single most strong factor that we have got at this club is our brand. We are probably the flagship company of this town which has a population of about a quarter of a million. Why give the brand to somebody else? (Corporate Commercial Manager, L5)

Club L3 is another club with predominantly regional support. It has opted for a 'half-way house' strategy by choosing a lesser-known Italian sports clothing manufacturer that allows the club to control distribution and supplies the kit at lower prices than the 'power' sports brands (enabling margins of 68 %).

Most of the large clubs have made a concerted effort to reduce over reliance on replica kit sales by expanding their product range which provides the club opportunities for greater margins. On average, team-kit sales represent around half of total merchandising sales at the larger clubs. The clubs are increasingly focusing towards the area of general leisurewear where it is believed more subtle branding is appropriate, providing scope for revenue streams in the future. For example, club L1 uses a major sportswear brand for its team-wear but also has its own leisurewear brand managed through a design consultancy (which another club has used less successfully in the past).

Licensing is an area of merchandising that all of the large clubs feel could be exploited better in the future with current agreements mainly limited to financial service providers. Several of the clubs have had negative experiences from past licensing arrangements with a lack of internal management expertise resulting in inadequate contractual agreements and poor control mechanisms.

One thing we have not done very successfully is to try and link our name to other consumer products. We did bring in a licensing manager before the restructuring and then we got rid of him. He had been in licensing before and had a very fertile mind but no reality at all. Conceptually presenting he was brilliant, but he cost us an absolute fortune. (General Manager of Business Operations, L3)



Club L1's head of branded products sees the securing licensing agreements as a key element of his post and L4 are considering appointing a licensing expert. Club L2 are planning to make use of the recent appointment of a licensing expert at the FA Premier League.

We are considering going back to licenses but are doing it more professionally. We did not have enough control over license holders in the past. We do have a contract but I'm not sure it is as tight as it could be. So I have asked The Premier League for their recommended license contract. This would include eight detailed criteria in terms of what they have to produce for us in terms of quality, targets *etc.* The reason I went to The Premier League is that they have taken on a solicitor who has expertise in licensing. We would not have to pay the Premier League. (Commercial Manager, L2)

The medium-sized clubs each have a club store, but few (M2 and M4) have additional retail locations. Mail order and internet is used to a lower extent to their larger counterparts. Both M1 and M4 have invested in the design of their club shops in an attempt to give them the appearance of a high street fashion boutique rather than a traditional club shop façade and interior.

M1 is the only medium-sized club that does not have distribution control over its replica kit since management believe that kit clothing needs a strong brand name. Two clubs (M2 and M4) produce their own branded kit. M3 sourced their own kit manufacturer and received a lump sum from a sports brand to badge the replica kit whilst keeping distribution control. This strategy was chosen after previous supplier problems led to the closure of M3's town centre store, due to several weeks delay in the delivery of new shirts. Club M5 has out-sourced to a lesser known sports clothing manufacturer but has control over distribution. However the supplier has imposed minimum order quantities which, in hindsight, are not considered to be reasonable in the context of the number of units sold by the club. Indeed, one of the criteria that will lead to the selection of a new supplier will be the ability to deliver smaller batches more frequently.

The reliance upon kit sales (60-80%) is higher than the large clubs (50-65%). However, in a manner similar to the approach taken by some of the large clubs (in particular L1), several of the clubs (M1, M2, M4 and M5) sell leisurewear using different own brand

ranges and some of these are attempting to target different age and gender segments. Only M4 has a range of products based around the club's mascot.

The scope of merchandising among the small clubs is clearly limited by their size and available resources. However, in some clubs the belief that the club is 'too small' has led to inertia and there is evidence that a lack of marketing expertise has led to many opportunities being missed. The small clubs have smaller and less modern retail outlets at their grounds (one was based in a porta-cabin), offering limited ranges of merchandise to customers. Two of the clubs (S1 and S2) have shops in the town centre. All of the small clubs in this study have contracts with sports clothing producers, although S1 and S4 have control over distribution. At club S2, the team manager has a large degree of influence upon the choice of kit supplier placing great emphasis on the perceived kudos from associating the club with a 'power' brand. The commercial manager, however, was less than complimentary about the level of service received from the manufacturer, in particular their ability to meet delivery dates. S3's commercial manager felt that the club did not have enough volume to go down the own-branded route and pointed out that alliances with other clubs have been discussed at board level but nothing has materialised. S1 is the only club that has its own branded range of leisure wear. Although the use of a club mascot in merchandising can clearly differentiate products for younger supporters, none of the small clubs offer such products, with only S1 giving active consideration to the use of a redesigned mascot in the future. Licensing agreements are limited to two of the clubs (S1 and S3) offering affiliated credit cards.

### **7.6.2 Conference & Banqueting**

The large clubs have extensive facilities in place for catering, and conference and banqueting (C&B). Three clubs (L2, L3 and L4) have in-house C&B and have sufficient room for non-matchday hospitality growth. Club L1 and club L5 both receive an agreed percentage of profits from their catering contractor. Club L1, in particular, has found that outsourcing has led to an improvement in the quality of food and service, given the specialised skills of the contractor. The new managing director at L5 has set up formalised reporting systems between the catering franchise manager and the club's

corporate commercial manager. Previously there were no reporting systems in place and the quality of food and service was poor.

The in-house provision of C&B can often become problematic in the context of hospitality packages and their pricing. At one of the large clubs, a C&B manager was found to be in conflict with the corporate sales manager due to internal costing arrangements. A successful 'sportsmans dinner' generated good margins for corporate sales but not for the C&B manager who had been forced to reduce his prices. The reduction in prices led to a fall in the quality of the food which would do little for the repeat business in hospitality or the restaurant.

You can't have two areas trying to make a profit out of one function and get people coming back because they're not going to get value for money. We (C&B) should be responsible for the customer, for the service and for our net profit. The sales manager can be on bonus, not for the net profit, but for getting the customers to us. (Conference & Banqueting Manager, L4)

Similar to the merchandise retail environment, décor, comfort and convenience are important elements in the creation of catering and C&B operations which can add value rather than consume resources. Where food kiosks have been improved, revenues have increased. Where restaurant and banqueting facilities have been refurbished, reputations for quality have been earned.

Medium-sized clubs have adopted a variety of approaches to the operation of catering and C&B. Only two have outsourced catering (M1 and M4) whilst M2 and M3 have combined in-house restaurant catering with contracted kiosk vending. Due to the ownership of the ground by the council, club M5 faces limited scope for upgrading stadium facilities and restrictions on alcohol sales. At both M3 and M1 there is an acceptance that non match-day ground utilisation could be improved, particularly in the area of promotion and sales.

Non match-day ground utilisation is one of the areas where the club has not made as much ground. So much of the club has moved forward so quickly over the last few years and that is one of the areas that hasn't for a number of reasons. One of them is that we have not invested in the right staff with the right experience in conference and banqueting. The catering department can provide food but they have no idea how to

service, sell or market it properly. Yet I believe there could be as much money made through that as the whole of my sales department for match-days. Until football clubs address utilising their stadiums properly and see themselves as an entertainment centre they will always be in that grey area in the middle way you're not quite sure whether you should hire somebody internally all not. (Sales Manager, M3)

We need to move towards a situation where we do not rely heavily on match day income. We need to use these facilities to generate non-match day revenues. Ideally, we would like to move to a situation where conference and banqueting purely service the corporate customers and corporate sales are responsible for bringing in all the business. (Managing Director, M1).

In contrast, M2 and M4 have taken a diametrically opposed view and are attempting to position their club restaurants in competition with high quality restaurants in the local area. Club M4 has leased out its facilities to a well known regional restaurant chain and is only responsible for match-day sales. Club M2 has recently spent £100,000 refurbishing its restaurant and bar and plan to run it in-house. Notably, those clubs which have outsourced catering and C&B have also committed themselves to long term contracts (up to five years), providing lesser opportunities for changes in supplier. One such club (M1) has found that match-day kiosk catering is the biggest cause of customer complaints, but is committed to a contract which may not serve its future marketing interest, given the risk and cost of contract severance and possible litigation.

The small clubs have little in the way of C&B operations, although three of the four clubs in this study have in-house *catering facilities* (S1, S2 and S3). The quality of conference facilities and their location (lacking pitch view) are limitations at all of the small clubs. Club S1, which has the most modern stadium and facilities, has attempted to market its restaurant and C&B facilities to the local community in a manner similar to some of the medium-sized clubs. Indeed, it was the only small club that actively marketed the club's facilities throughout the week. Club S2 uses an outside caterer for match-day corporate hospitality but has made the decision to bring the kiosk operations in-house after the re-possession of the franchisee's assets. They have since branded their kiosks with the help of a large well known food manufacturer/supplier. At club S4, the stadia kiosks are contracted out on a yearly lease-basis and the restaurant (formerly owned by the club) has now been franchised out to a third party. S3's kiosk operations

had been overhauled by the new commercial manager, resulting in increased spend per-head and margins, as well as a national award.

### 7.6.3 Ticketing

At the large clubs, the proportion of season ticket holders has a clear effect upon the marketing of ticket sales. There is less scope for new fans to enjoy the club and for the club to benefit from merchandise sales. Fewer tickets are available for corporate guests and community relations. In addition, data capture is limited and reflects a static base of support about which information may already be known. Three of the large clubs consider ticketing as marketing rather than administration oriented (L1, L4 and L5). Reflecting this, club L1 and club L4 have recently invested six figure sums into the development of computerised ticketing systems which enable more effective mail shots and direct marketing. Ticketing initiatives designed to increase capacity utilisation offer a double edged sword, with many clubs worried that if ticket prices are reduced, season ticket holders will be alienated. Accordingly, clubs have used a combination of targeting low interest games for ticket price reductions, informing season ticket holders in advance, and targeting junior members to reduce the impact upon season ticket holders.

We discounted tickets for five or six games last season and we are going to do it again for a number of games this season. We may contact the members, both adult and junior, and offer discount tickets. We have a database of all the schools, youth clubs, and junior football clubs and we may offer them tickets. For five or six games last season we gave between 2000 and 3000 tickets away. It fills the stadium and creates a better atmosphere, programme sales, food sales *etc.* (Consumer Commercial Manager, L5)

Other ticketing developments used by the large clubs include the sale of tickets for events at the club such as beam-back games (once away tickets are sold) and tickets for local entertainment events.

With their lower level of season tickets sales, the medium-sized clubs are faced with differing circumstances, arrangements and approaches to ticketing. Predominantly a part of commercial activities, M2 has taken the approach that ticket discounting will not affect ticket sales, believing that improvements in the entertainment package will achieve the desired effects. They have cleaned up their supporter database and are using

it to generate season ticket sales. The club have also outsourced ticket booking and call handling to facilitate a rapid and efficient response. It also provides an opportunity to undertake cross selling, for example, offering new merchandise catalogues to callers.

Last year we did something that we had never done before, we cleaned up our database and sent out our season ticket application forms to 18,000 people. What we have tended to do in the past is send out the forms to people who had season tickets before and asked them to renew. (Director of Sales & Marketing, M2)

At M4 the ticket office falls under the remit of finance and administration. Club M4 now uses an outside agency to maintain its database having found that its size was inflated by 40% due to duplication which had led to many unnecessary mailings. The newly appointed community development officer works alongside ticketing operations and has been given responsibilities for increasing attendance among the local community. However, the CEO does not encourage ticket discounting due to the fear of a backlash from season ticket holders.

The problem with discounting first-team matches is that you're not going to sell season tickets. Somebody suggested in the supporters' forum that we should let the kids in the free for the last six games to get a better atmosphere but people within the room were against this because they had bought season tickets for their kids. You can't devalue the season tickets. I'd love to think there was away that you could run a promotion that did not alienate season ticket holders. (CEO, M4)

The management at club M1 has had *considerable* success from an integrated marketing strategy to increase attendance, that includes the setting up of supporter networks, discounted tickets, and communication with season-ticket holders (See case evidence below).

### **Case Evidence: Attendance Drive in Action**

“After we increased our capacity from 8000 to 14,500 we needed to increase our fan base. We needed to fill 5000 extra seats and ‘Target 10,000’ was set up which involved a ‘kid for a quid’ scheme. Apart from the community benefit there was a commercial benefit as we would be selling more programmes, burgers and merchandise as well as creating fans of the future.

Communications was very important as well and we started to develop supporters clubs within the target areas in the county. They worked very hard to get the message out and we now have 13 branches throughout the county. We now have a situation, for example, where a recent branch meeting had 250 people turn up and they will bus people into the ground for matches. We would give discounted tickets to the supporters groups who could then build in the price of the coach and bring the fans along. Last year we reduced prices throughout for several unattractive games. We had a blanket price reduction so that every seat in the ground was five or six pounds and ‘kids for a quid’ throughout. We managed to avoid a backlash from the season ticket supporters mainly because the feeling was that we are all in the trenches together and season ticket holders would prefer a to have extra fans in the stadium rather than empty seats.

I know there have been problems with other clubs trying this type of scheme. The key to the success of this type of scheme is to communicate the benefits to the club to the rest of the supporters in particular season ticket holders. We have now moved on from there are and have nearly 18,000 season ticket holders, and use the same networks to sell and communicate the need to buy a season ticket for the coming season”. (Business Development Manager, M1)

Club M3 uses direct marketing (mail and tele-sales) to maintain and enhance season ticket renewal and make regular use of its database of 17,000 supporters. The club automatically allocates a large number of tickets to the community officer for every game. The club has also given free tickets to local schools and offered discount tickets to under 16s, although family tickets are not sold and local business employees are not targeted. Club M5 does target local company employees with ticket offers and ticket operations are run by the merchandising manager. The club uses direct mail to contact fans which live outside the local media area (estimated to be 35% of the total fan base) and uses cash-back schemes, discounts, merchandise coupons, and junior concessions to enhance the value-added of ticket purchases. Although the cash-back schemes and junior concessions are loss-leaders, the club believes that a lifetime of support will amortise these short term financial sacrifices.

A 'kid for a quid' scheme has been used by three of the small clubs to improve ticket sales. Otherwise, ticketing initiatives are ad hoc and purely administrative in nature. In many cases, a lack of marketing expertise or resources has been shown to impede the ability of these clubs to enhance gate receipts. At S3, the PR manager has been given responsibility for improving attendance and at S2 managers are not familiar with the price sensitivity of match tickets. Another club (S4) found that it did not have sufficient staff to send out season ticket renewal leaflets and another has a commercial manager who appears to be unaware of the catchment area for the club. In spite of the lack of resources, two of the small clubs have been proactive in increasing capacity utilisation through free ticket distribution by community officers (S1), and ticket promotions through local employers, colleges and universities (S2).

#### **7.6.4 Corporate Sales**

Corporate sales includes activities such as sponsorship, advertising and hospitality. Both word of mouth and formal marketing activities are vital to the success of corporate sales efforts. Corporate sales activity was analysed, in particular the range of products and services sold, the expertise of staff and the use of technology.

In the large clubs, several aim to have all match-day sponsorship sold by a specific date. At club L4, pitch-perimeter area advertising is also sold along with ground hoardings, and concourse advertising. Both L3 and L2 run joint promotions with their sponsors which have included product samplings in and around the ground. The level of activity in corporate sales is dependent on the level of demand in the area. Club L4 produces high quality brochures advertising their services to prospective corporate clients. Club L1, on the other hand, has a waiting list for match-day corporate hospitality and the club, therefore, sees little benefit in producing promotional literature for corporate clients.

The large clubs have recognised the specialised nature of commercial sales. Club L1 has appointed a specialist in sponsorship sales, whilst club L3 has recognised and acted upon the clear differences between training and conference customers and matchday hospitality customers. Accordingly, the club has specialised staff to deal with each



customer segment. Club L5 has appointed sales experts over the last couple of years and has formalised its sales activities.

Each of these clubs still relies on other activities to increase corporate sales. These include making available hard copies of press coverage and compliments letters as a selling aid (L2), advertisements in local trade publications, a presence at exhibitions (L3), networking at professional institutions (L4), and regular open evenings (L5).

*Our staff have come from outside the industry and they all have a sales background. They have monthly targets for conference and banqueting which they have to achieve and they also have targets for football, for example to have all match sponsorship sold by Christmas, and to have all ground advertising sold before the beginning of the season. 70% of their time is spent cold calling through telemarketing. The salesperson also has a top 20 sales list where 80% of their business should come from. Once a month we have an open evening where we target 200 companies we are not doing business with at the moment on the basis of getting 80 to 100 returns. We will feed them with a buffet and give them tour of the ground. They then become one of the sales people's prospects. (Corporate Commercial Manager, L5)*

Intelligence gathering is critical to the successful use of technology in corporate sales. All of the large clubs have their sales team available on matchdays, thereby enabling the club to actively maintain and enhance commercial links with guests. They all have databases which are used for telesales and mailshots to potential and existing corporate clients, although only club L5 has a full relationship/customer contact system in place.

*We have a full conference and banqueting software system with sales leads. Every contact goes onto the system and we can build a client record. Two years ago it was a manual diary it was very antiquated. I don't think the club knew who their top spenders were. That was the biggest culture shock for me coming from a very proactive sales background, but I think that is football in general. (Corporate Commercial Manager, L5)*

*We've got our own database in-house, but it has been a problem to us because the person doing it wasn't experienced. Because we've grown so quickly it's not been co-ordinated. But the scope for that in the future is massive, and it will be a big sales tool for us to use. I'm hoping we'll get something properly in place. (Corporate Sales Manager, L4)*

Three of the medium-sized clubs use corporate databases for mailshot and telesales. The most advanced variant can be seen at M3, where customer contact software enables the club to contact potential or existing clients, identify and send reminders and print contracts. The focus of corporate sales activities is clearly important and has an impact

upon the club's commercial success. Notably, the medium-sized clubs have more fragmented responsibilities for corporate sales. At M4, for example, the CEO carries out strategic sponsorship deals in the absence of a marketing director, one of the retail shop managers is responsible for selling ground advertising, and programme advertising is contracted out. The majority of the medium-sized clubs run open evenings to facilitate greater corporate sales and networking, and three have developed links with the local Chambers of Commerce to access databases and hold business lunches (M2, M3, M4, M5).

#### **Case Evidence: Corporate Sales in Action**

"We have bought in a basic database which gives us over 2000 companies with contact names. We are taking a progressive marketing approach on the corporate side. We want to get a wide range of companies involved at a lower level and then get them to progress, which we think is better than going cold to a customer and trying to sell big sponsorship. To facilitate this one of the things we have introduced is the 'First Friday Club' which is a business club that meets on every first Friday of the month which provides a network opportunity.

For us the objective is not to make money out of the event but to bring people to the club. We are into our fourth meeting, we had 70 companies represented at the last meeting and 30 of them were new companies to the club. Lunch is provided by a guest chef from a local restaurant and we have an event sponsor who is the company that sponsors that particular luncheon and who get a chance to present to the guests. We also have a guest speaker from different walks of life (business, football, media).

There is a £25 per year membership fee which allows members to come along with a guest and we charge £12.50 for the lunch. That has worked very well and I would say off the top of my head that we have probably got half a dozen companies now involved with us directly as a result of this Friday club. We will look to trade these people up next year." (Sales & Marketing Manager, M5)

Several medium-sized clubs commented on the difficulty of gaining sponsorship and advertising deals with large corporations. Club M3 found that large companies are not interested in small clubs for sponsorship purposes, yet large sponsors are needed to provide significant medium term cash flow injections to enable growth. M4's CEO found on his arrival that sponsors tended to be local firms where the owner/manager had an affinity with the club, whereas the type of sponsorship required is from large, national companies. The CEO feels that once one 'blue chip' sponsorship deal is

achieved, a sponsorship domino effect will occur. M5 is attempting to take a similar approach to targeting new corporate clients.

Given their resource constraints and lack of expertise and experience, the majority of small clubs have piecemeal approaches to corporate sales. Clearly lacking is a focus upon the purpose and consequences of initiatives that are undertaken by these clubs. One club has its corporate database in the form of a black book (club S2), whilst another uses low quality photocopies for its promotional literature whilst only using the yellow pages as a source of corporate targets (S3). Some other examples include:

- A failure to meet advertising quota in programmes due to insufficient time available for the commercial managers
- A lack of knowledge of the size of the commercial market in the local area
- Achieving only one-third of match and match ball sponsorship at the start of the season
- Incompatible sponsorship for community activities
- Lack of follow up to mail-shot initiatives
- Weekend only access to facilities for corporate sponsors
- Out of date promotional literature

Despite some of the shortcomings identified above, the small clubs have *implemented* low cost ways of improving corporate sales. At S3, the commercial manager has insisted that directors dine with sponsors to maintain relationships. The club also uses reciprocal agreements such as a supply of flowers in exchange for advertisements in matchday programmes. Club S4 hosts a cheese and wine party for potential sponsors prior to the start of the season. Past sponsors and prominent local companies are invited, along with the club's director, players and the community officer.

#### **7.6.5 Publications and Media**

Among the publications and media used by clubs are matchday programmes, magazines, newspapers, books, internet, television and video.

The large clubs use a mix of outsourcing or in-house design and print. Clearly, all content is controlled internally. The scope for publishing is apparent through programme sales, which are sold to between a third and half the average gate. Given the potential revenues and profitability arising from publishing due to the existence of distribution channels (shops, ground, internet *etc.*), many of the large clubs are looking towards greater control over publications design and content. L4 and L3 produce their publications in-house and L1 and L2 use external agency staff who work solely on club publications. Among the print-based initiatives undertaken by the large clubs are weekly or monthly newspapers produced in conjunction with local papers (L4, L2) and player books (L3, L1).

The role of PR officers in the content of publications is evident among medium-sized clubs, where two clubs (M2 and M5) have made them responsible for editorial content and copy. Not all of these clubs have found publications to be financially rewarding, although many are considering adding newspapers, books, and magazines to their existing publications portfolios. M3 and M4 have invested heavily in desk-top-publishing technology to enable the club to bring design in-house and improve the quality and responsiveness of their publications and media (See case evidence below).

### **Case Evidence: Publications in Action**

“As I got more involved with the club in 1997 it became apparent that the programme was in a mess, and the way the media and production side was put together was a shambles. The commercial office did not have one personal computer. The programme was a nightmare. The programme was put together and edited by one of the players, and basically was like the back of fag packets, it was like the worlds worst ‘dog’s dinner’. The call-line was a shambles, because that was done by one of the fans.

I was then taken on board full-time with the brief to develop all the media side of the club, from books to video, anything that was communications. We invested in some computer equipment and software. We initially got staff in part-time in order to convince and show the board directors what could be done internally. We now have total control of every designed product and every published product.

Two years ago the programme was not making any money, which to me was a disgrace, so we looked, first of all, at improving the product. We rationalised the whole programme, in terms of editorial, so we cut out all the amateurs and chose four or five professional free-lance writers and redesigned the programme in-house. A design template was built up from analysing all the other club programmes and giving all the staff members opportunity to contribute.

Last year we increased the cover price by 20% and our penetration went up from 18% to 23% despite the team having a bad season. The advertising sales for the programme, was in theory, handled by people in the commercial department. However they tended to focus on hospitality and selling boards and sponsorships, so they ignored the programme and by November they had not sold anything! We therefore decided last year to contract out the advertising sales to a specialist media tele-sales company who have brought in many new advertisers to the club e.g. the Army.” (Publications Manager, M4)

Once again, resource constraints limit the variety of publications offered by the small clubs and commercial managers complain of having little time to sell associated advertising space. None of the clubs have internet sites and only S1 produces a magazine. A further impediment is the attitude of managers within the club. Club S1 has appointed a press officer to work with an external editor to produce the matchday programme in contrast to S4, where the programme is not considered to be a serious commercial endeavour. Responsibility for the programme has been passed from the commercial manager to an administrative assistant and it is now in the hands of a volunteer who is a friend of the chairman. Consequently, the programme offers little to the reader in terms of player, commercial or community information and the only communication to supporters from the senior management of the club is a notice in the program from the chairman warning fans to stay off the pitch. Club S2 has decided to

franchise out the production of their programme after similar less than satisfactory internal arrangements.

Clearly, there is scope for improvements in the commercial and financial performance of these clubs' publications. An obvious first step is the programme. Bought by only 20 % of fans, these small clubs could do worse than to emulate the approach taken by many of their larger counterparts that have found that content and quality are vital in order to increase sales and profits.

#### **7.6.6 Community Activities**

Community activities can make a significant contribution to clubs' business from the short to the long term in four areas:

- Profile: a high profile in the local community is an attraction to advertisers and sponsors
- Promotions: today's beneficiaries of community activities will become future supporters
- Revenue: coaching classes and other services increase revenue and maximise utilisation of fixed assets
- Resources: future apprentices may be discovered through community activities

All of the clubs in the study have a community section which at its most basic level is responsible for going out into the community (predominantly schools) and offering coaching lessons. Other community initiatives used by the clubs are; family night reserve football, ground tours, coaching visits to schools, coaching clinics/camps, activities with ethnic communities, and use of mascot in the community. In addition, clubs target schools, junior leagues, youth clubs and groups with discounted/free tickets. Where the clubs differed was in the range and scope of their operations and activities, and the extent to which the community section is integrated with the commercial and marketing functions.

Two of the large clubs (L3 and L1) have education centres at the grounds and run schemes in conjunction with public and private sector bodies. One of the medium-sized clubs (M2) has set up a similar learning through football scheme with the local authority and M5 and M3 are planning to set up similar initiatives. With most of the large clubs operating at maximum capacity for first team matches there are limited opportunities to encourage younger supporters to visit the club. One of the large clubs in the study was a pioneer of the Family Night concept for reserve team football which has been a huge success in attracting youngsters and families to the club. The nights are heavily promoted in the local media and the club targets groups, such as schools and scout clubs, with free tickets that are offered for the first visit to the club. Entertainment is provided before and during the game including, face-painting, cheerleaders, competitions, *etc.* Hospitality box owners are asked to donate their boxes to charities and other needy groups. L5, L2 and L3 also operate a similar scheme although the latter two clubs have had to move the games away from the stadium at the request of the team manager and groundsman.

The majority of the medium and small-sized clubs in the study are operating well below capacity for first team matches and gave the community officers free match tickets to distribute on a regular basis. However, the amount of tickets donated ranged from 3% of the gate (S4) to 25% of the gate (M3) and reflected the differing attitudes within the clubs.

Depending on what the game would be I would have around 2,500 to 5,000 free tickets to handout through the school system. It is a great gesture by the chairman and I don't know any other club that has given that many tickets away. (Football in the Community Officer, M3)

I think that 90 tickets per match is too many anyway. I think that's the FIC officer's lot. Football now is a business and it is all about money. You can't keep giving too many tickets away. The FIC officer works on his own with part-time coaches. I don't think he will be prepared to market the club. (Commercial Manager, S4)

Nine of the clubs in the study rely on externally funded Football in the Community (FIC) officers to carry out community activities, particularly the smaller clubs. Interestingly, one FIC officer felt that because his department is funded by the

FFE/VTs scheme, the club perhaps has greater access to grants. However one of the problems with this set up, which is highlighted by employees at several clubs, is the lack of integration with other aspects of the club's business.

You'll find that at a lot of clubs, the directors especially, don't know or, to some extent, don't really care what's going on. I think that clubs should look at their community activities in more depth and look to provide assistance for the community officers or the League authorities should sit down with the PFA and thrash this thing out. (Football in the Community Officer, M3)

We haven't worked with the FIC officer as well as we should have done. Community does not develop any money for us at the moment. There are lots of ways in which the junior membership should be working much closer with him. (Consumer Commercial Manager, L5)

In response to this problem, two large clubs (L4, L3) and three medium-sized clubs (M2, M4, M1) have appointed a community manager whose job is to co-ordinate all community activities and to provide a day-to-day point of contact with the externally funded Football in the Community (FIC) officers. Another medium-sized club (M5) have tried to form closer links with their FIC officer by giving a member of the marketing team a specific liaison responsibility. M2 however has decided to bring all their community operations in-house in order to allow the club to expand their operations beyond their immediate catchment area and to foster greater integration with other areas of the business. The director of sales and marketing at this club sees community activities as key to the club's future financial health (See case evidence below).



### Case Evidence: Community Activities in Action

"It was a conscious decision that the club would run and finance their own scheme. I think this is a better scheme to be honest and I have worked both schemes. I feel that under the PFA scheme there would be not such a strong link between the community section and the rest the club. You get a little bit more internal support because it is part of the club rather than an attachment. The thing is, with the PFA scheme, they are out on a limb and it is like an add-on department. There is a lack of status with other departments which makes it difficult to get them to work and help you, whereas with this in-house scheme I have a seat on the commercial meetings and my staff and I are all employees of the club. Because we feel part of the club we want the club to be successful, whereas previously, as long as the PFA scheme was successful that was enough for our contracts to be renewed.

Since the director of sales and marketing has arrived we have gone to a different level now. He sees the importance of making sure that every department links in. The credibility of the coaches within the club has gone up as a result which makes them feel more important. It has taken the director of sales and marketing to open the eyes of the other department heads to see that we had been missing opportunities for the last two or three years. We have had a scheme which gone into a lot of schools and seen potentially thousands of customers and we have not really exploited that. (Community Manager, M2)

"The role of the community department is twofold. To get out to the public and do a community job but also to spot young talent. The role of the community department is to put as many talented youngsters in front of the playing side as possible while delivering the community package. If you asked a child 8 or 9 years old 30 miles away who they support they would probably say United, Liverpool *etc.* We are trying to get to the children young enough and also, through them, get to the parents to tell them what we offer *e.g.* special concessions, family enclosure *etc.* We will offer them a chance to come to the ground individually, with their parents, in a group, or with the school. We also have the opportunity to make them aware, not overtly, of the other products/services that we offer. The coaches role is to leave information brochures behind for the kids rather than overt selling. We would like to get some spin-off business but the objective is to make them aware of the club and what it offers. Last year we visited 35 out of the 350 schools in the county to give coaching lessons for a nominal charge. Next year we will visit 350 schools free of charge. We will make the money out of the skills centres which we have increased from 4 to 16 in the region. We charge them £1.50, a nominal sum but with 40 kids and rent free pitches". (Director of Sales & Marketing, M2)

#### 7.6.7 Membership Schemes and Supporters' Clubs

The large clubs have differing experiences in the level of success of membership schemes. Whilst having a junior scheme, club L1 abandoned an adult scheme following a lack of interest. Similarly, club L3 has a junior membership scheme operated by the community officer. Club L4 and club L5 have both types of scheme in operation,

underpinned by promotional incentives. Club L2 has found that a membership scheme operated by the commercial department is superior to when operated by the ticket office. The club sees the membership scheme as an important way of fostering relations rather than a stand-alone profit making concern and has benchmarked against schemes operating at other clubs. To maintain interest in membership, especially among juniors, mascots are drawn for the junior membership list.

There are many contrasts and similarities between the medium-sized clubs and their larger counterparts. In only one club is the link between marketing and membership clear, both in terms of management and activities. At M2, membership is considered to be a strategic marketing tool and the club has re-designed and launched a membership package to both adults and juniors. The junior membership offers a wide range of benefits and incentives enabling the club to make better use of its indoor facilities, encourage families to attend, increase spend per head and enhance club loyalty and participation.

We are trying to make the junior membership more active now. They will get discounts off our activities and they will have exclusive activities such as day outs, match-day clubs, and meet the player evenings as well as an opportunity to be match-day mascot. We have a membership of 1,600 from the old scheme and are looking to double that. The chairman has a target of 5000! (Community Manager, M2)

Two medium-sized clubs have, or have recently had, membership run by volunteers with little emphasis placed on marketing opportunities. M1 recently managed to bring membership in-house although M3's membership is still run by volunteers.

There is not actually a paid person who looks after membership which I think is wrong. I think it is organised to some degree but it is out-growing its humble origins. I think it should be controlled by the club although it will be difficult to tell the volunteers. (Marketing & Promotions Manager, M3)

Club M5 does not have an adult membership and their junior scheme has just 300 members. At M4, the junior membership scheme has only 187 members and the community development officer is currently keeping their details in a diary. It is unclear who is responsible for the adult membership scheme with the CEO admitting that it is very poor and requires an investment in a database.

Among the small clubs in the study, S1 has segmented its membership into baby, junior and adult categories and offered a variety of packages and incentives to members. S2 has combined its adult membership scheme with merchandise and ticket discounts, although the junior membership is run by the FIC officer and the marketing manager is unaware of the membership numbers. Surprisingly, two of the smaller clubs (S3 and S4) do not offer any membership schemes to supporters.

#### **7.6.8 PR, Communications and Branding**

There is little doubt of the importance of communications and branding for professional football clubs. It is the cornerstone of financial performance in existing commercial areas and a gateway to new ones. Each club has adopted its own approach and, once again differences can be seen between clubs of different sizes and resources.

After a series of high profile PR disasters, club L1 has hired a part-time communications director. Previously the club only had a team press officer, who now reports to the new director who has his own personal assistant. All external communications are approved by the media department which uses an external agency for design. Since floatation, club L4 has appointed a communications manager from the business sector who is personally responsible for corporate communications as well as coordinating football and non-football PR. The marketing department deal with tactical non-football publicity and football PR is dealt with by a press officer who works with the team manager. The club have weekly columns in the local press covering commercial and community operations. The club's marketing department controls the use of the club logo with the design of all promotional literature centralised in this department.

At club L2, one person is responsible for coordinating all non-playing communications. The commercial executive has a contact list for all journalists although, unlike L4, the club does not have regular commercial coverage in the local press. The press officer deals with team affairs and also looks after the Club-Call service, who pay part of his salary. The club have procedures for the use of its logo (colors, styles, telephone

numbers) on all forms of communication which have to be approved by the marketing manager or club secretary. Despite this, however, there are still inconsistencies over use of the club's brand by certain departments who prefer not to conform. The club has recently made the decision to invest in in-house design staff and technology to improve controls over the brand and how it is used.

At club L3, all communications are the responsibility of the PR department, led by a manager with a background in journalism. The club changed its logo in the mid 1980s and has registered 15 different trademark logo styles for use. The PR department has a manual with instructions for logo setting which is given to all printing companies used by the club. In addition, the general manager of business operations is the custodian of the brand and acts as 'central co-ordinating clearing house' for publications and communications. Club L5 has a PR consultant who deals solely with player appearances. Non-playing publicity is dealt with by the consumer and corporate managers who organise their own publicity and advertising. The club has a weekly page in the local paper covering community and commercial initiatives.

The medium-sized clubs show greater variability in terms of the extent of their PR activity and brand management. Club M3 provides a clear example of how the brand and associated images can be managed to greater effect or detriment. It has updated the traditional club badge in its centenary season as a way to increase shirt sales. However, when it changed its mascot (on advice from a mascot company) the break from the traditional association of an animal with the club (thereby leading to its nickname) led to extensive negative publicity in the local press. This reflects the general problem that the club has with the press relations – which are good on the football side but poor in other areas. All communications and press releases go via the newly formed media department to ensure consistency of image and are available on the club's website.

M4 is another medium-sized club which recognises the reactive nature of its PR efforts. Team PR is the responsibility of the team manager who has an assistant secretary. Currently non-playing PR is managed by an assistant to the club secretary who reports to the finance director. The lack of integration with the commercial function, combined

with limited expertise and part-time responsibility serves to reduce the effectiveness of external communications at the club. One of the major problems at the club has been the inconsistent use of the brand logo and design across departments. In response to this the club have recently carried out a design audit which involved senior management looking at the whole corporate image around the stadium and in all published products and merchandise. As a result the club's merchandise consultant has been designated 'arbiter of the club's design' and 'the keeper of the club's image'.

M5 has had similar problems and plans to appoint a senior PR manager to oversee all brand communications (playing and non-playing). The new PR manager will be the guardian of the brand. In addition to brand roles, the aim of the new appointment is to improve media relations and make the club more proactive in areas such as communications coaching for players.

Too many times the design of corporate brochures are left to the printing company who do very good job but they are changing the style. At the moment I think we allow too many people to use our brand too easily. There has been absolutely no continuity in the use of the logo. On the merchandising side you would have every single supplier doing a different thing. We did not give any guidelines to the suppliers on how the logo would be used and had products coming in with the logo upside-down and the wrong colours being used. Branding will come under the remit of the new PR manager who will be the guardian of the brand. It is part of the image of the club. (Sales & Marketing Manager, M5)

M2 is a medium-sized club taking a proactive approach to public relations, with the commercial and marketing function working closely with the PR manager to achieve favorable coverage in the media about all aspects of its operation, not only football (See case evidence below).

Supporters are interested in how the club runs its business. In some respects they don't get enough of what goes on inside the football club. (Director of Sales & Marketing, M2)

### **Case Evidence: Public Relations in Action**

This highlights the range of activities that are carried out by one-medium-sized club's PR manager (who is also the chairman's personal assistant!)

"On a daily basis I deal with fifteen local media covering TV, press, and radio keeping them up-to-date with what is going on the sports side. I am also responsible for creating stories about the club. Because there are so many activities going on in the club, I find out on Monday morning, when we have our meeting, what everybody else is doing. My job is to cut out the juicy bits for the media – there has to be a story in it. I write press releases and send them to the local media, the press association, and teletext.

This season, we gave away five season tickets, one for each day, in return for half a page editorial on the club in the local paper. We put a teaser on the front page, and I wrote the editorial positioned alongside the competition which promoted five different areas of the club each day (membership scheme, school of excellence courses, stand development, season ticket prices, and family areas). Questions were set on each day and the closing date of the competition was also the closing date for discounted season tickets so we used the promotion as a five-day countdown. Competition winners were invited to the club to have their photograph taken with their favourite player which gave us further media coverage. I am running another competition because we are going to open another retail shop at the end of July.

What I have started to do in the last six months is go out and see journalists rather than just talking to them on the phone. I speak to them about what we are currently doing and what can be covered in future. For example, I approached local BBC radio and asked them to include our player community visits in their 'what's on' segments. So from a PR point of view people are aware what the players are doing out and about in the community. If players are going to a public event I will contact all the media. Also I like to have a player on the breakfast show of the commercial station on the Friday before every home match to promote that match." (PR Manager, M2)

At club S1 the press officer deals with playing PR whilst the commercial manager deals with non-playing PR issues. Despite having a press officer, the marketing manager is responsible for providing information to the internet service provider and writes match reports. The chairman has a monthly column in the local newspaper. Unlike club M3, S1 has been more successful in its changes to the club mascot having carried out research to assist the launch. The new mascot is central to the club's branding strategy.

PR at the other small clubs is generally unsophisticated. At S2, the team manager is responsible for player PR and the commercial manager deals with all non-playing publicity. The club does not have regular columns in the local press. At S3, media relations are underdeveloped. There is no matchday hospitality for the press and the

team manager is their main point of contact, given the role of the PR manager on match-days as compere. The lack of marketing experience among directors at the club is reflected in attitudes to media relations and events, shown in a lack of hospitality for TV crews visiting the ground and a reluctance to attend high profile award ceremonies. The team manager visits the sponsors' lounge very infrequently and the commercial manager has had to persuade directors to mix with sponsors. The club does not use its mascot in any promotional literature or merchandise. Moreover there is little control over the club's logo. A previous commercial manager changed the logo without informing the board, making it indistinguishable from the logo of another, more well known, institution. Similarly, club S4 does not offer any hospitality to the media on match days. Here, the chairman deals with PR and press in relation to non-footballing matters whilst the team manager deals with playing side.

## 7.7 Role of the League

Questionnaire respondents were asked to state the degree of agreement to a number of statements concerning the role of The Football/FA Premier League. The results are shown in tables 7.3.2 and 7.33.

**Table 7.32 Marketing and the League (mean scores).**

1 = very strongly disagree, 2 = very strongly agree

		Club Size			
		Large	Medium	Small	Total
League should provide more training courses	Mean	4.5	4.2	3.8	4.0
	Std. Deviation	.8	.8	.9	.9
League should work closer with our marketing dept.	Mean	4.2	3.7	4.0	4.0
	Std. Deviation	.7	.7	.7	.7
League understands our marketing requirements	Mean	3.2	3.7	3.4	3.4
	Std. Deviation	1.1	1.0	.9	1.0
League can provide advice/ support when needed	Mean	3.6	3.9	3.9	3.9
	Std. Deviation	.6	1.0	.8	.8
League's sponsorship initiatives perform to expectation	Mean	2.9	3.8	3.3	3.4
	Std. Deviation	.8	.8	.9	.9
League performs to my expectations	Mean	3.1	3.7	3.2	3.3
	Std. Deviation	1.0	.7	.9	.9

**Table 7.33 Marketing and the League.**

		Club Size						Total	
		Large		Medium		Small		Count	Col %
		Count	Col %	Count	Col %	Count	Col %		
League should provide more training courses	fairly/strongly disagree					1	3%	1	1%
	neither disagree nor agree	2	14%	5	26%	13	38%	20	30%
	fairly/strongly agree	12	86%	14	74%	20	59%	46	69%
League can provide advice/support when needed	fairly/strongly disagree			2	11%	2	6%	4	6%
	neither disagree nor agree	6	43%	3	16%	6	18%	15	22%
	fairly/strongly agree	8	57%	14	74%	26	76%	48	72%
League should work closer with our marketing dept.	neither disagree nor agree	2	14%	8	42%	8	24%	18	27%
	fairly/strongly agree	12	86%	11	58%	26	76%	49	73%
League understands our marketing requirements	fairly/strongly disagree	2	14%	3	16%	5	15%	10	15%
	neither disagree nor agree	6	43%	4	21%	14	41%	24	36%
	fairly/strongly agree	6	43%	12	63%	15	44%	33	49%
League's sponsorship initiatives perform to expectation	fairly/strongly disagree	3	21%	1	5%	6	18%	10	15%
	neither disagree nor agree	9	64%	5	26%	14	41%	28	42%
	fairly/strongly agree	2	14%	13	68%	14	41%	29	43%
League performs to my expectations	fairly/strongly disagree	3	21%			6	18%	9	13%
	neither disagree nor agree	7	50%	8	42%	16	47%	31	46%
	fairly/strongly agree	4	29%	11	58%	12	35%	27	40%

There is general agreement from the respondents that the league should work more closely with the club's marketing departments and that they should provide more training courses. This suggests that many clubs are aware of the lack of professional expertise in specific sports marketing areas. It is perhaps a point of concern for the Leagues that only half of all clubs (49%) agree that the League understands their marketing requirements. The League should therefore canvass clubs to determine their needs and requirements before developing any supporting services.

Nearly three in four clubs (72%) agree that the League can provide support when needed although a similar number (73%) agree that the League should work closer with their marketing department. This suggests that the League need to be more proactive in the help and advice it offers to club's marketing and commercial departments.

Less than half of the club respondents (43%) agree that the League's sponsorship initiatives perform to their expectations although it is not clear whether or not the club's expectations are realistic. What is clear is that the League needs to canvass the clubs to determine their expectations and requirements with regard to sponsorship.



In terms of the Leagues' overall performance only 40% of clubs agree that the League performs to their expectations. Again it would be advantageous for the League to identify the club's marketing expectations and requirements thus allowing the development of supporting services that are targeted to their needs. While the percentage number of respondents reporting agreement with the statements is low, only 13% of respondents report disagreement with this statement with 46% of respondents reporting neither disagreement nor agreement. This suggests that there is some confusion in many clubs over the exact role of the League as a marketing support function.

The qualitative study asked respondents to comment on the role and impact of the FA Premier League and The Football League on their marketing activities. Three main themes emerged; accountability, communication, and support.

#### **7.7.1 Accountability**

At present the Leagues' commercial and marketing activities are perceived to be limited to securing and servicing centralised advertising and sponsorship accounts for its member clubs. One FA Premier League club indicated that the advertising and sponsorship revenue had increased considerably since the decision was made to rationalise sponsors to five worldwide power brands and two Football League clubs applauded a recent Football League promotion with McVities.

A frequent concern voiced by the small and medium-sized clubs is the lack of transparency in The Football League's centralised commercial deals. There was general agreement from clubs that the collective body of The League (acting on behalf of all their members) should be able to negotiate commercial income far better than the clubs could do individually. However, the lack of financial information provided by The League means that the football clubs are unable to determine the net profit for each individual deal. As a result several of the clubs argue that a centralised approach to programme and ground advertising sales is restricting their ability to seek more lucrative deals with local companies.

The problem we have is that The League takes pages from our programme and a number of ground hoardings (more when we are on television) and pay us a lump-sum. We don't know how much we are getting for each individual item and feel that we could probably sell them for more locally. What we don't see, when we get the central payment from The Football League, is how it is broken down and therefore we don't understand what the money is for and where it has come from. They do not currently produce a commercial profit and loss account so we do not know what the sales are or how much it has cost to generate that income. (Chairman, S2)

### **7.7.2 Communication**

Communication between the League's commercial department and the clubs is considered to be an area needing significant improvement. There was confusion surrounding the structure of marketing activities at The Football League particularly in light of recent staff changes. The lack of a publicly available organisational chart, infrequent contact with the League's marketing representatives and a perceived over-reliance of a newsletter are seen as illustrative of the lack of effective two-way communication. Overall, it is felt that greater accountability through an itemised separate profit and loss account (running under profit centre principles) and improved communication would prove to be welcome changes.

### **7.7.3 Support**

Increased marketing and commercial support would clearly be valued by small, medium and large clubs. Clubs commented favourably on individual initiatives such as the FA Premier League supporter research and The Football League one-day marketing workshop. However the general consensus is that both the FA Premier League and The Football League do not offer enough support and advice on the full range of marketing and commercial activities that clubs are involved with. Three key areas of support are highlighted in the study; forums for exchange, information and training.

### 7.7.3.1 Forums for Exchange

Unless a club's marketing manager has good relations with another club's equivalent, few (if any) valuable discussion forums are available. The degree of inter-club contact in this respect vary from good relations with a few local clubs to none whatsoever.

Irrespective of club size within our sample, the Commercial Managers Association (CMA) is held in low regard as a vehicle for improving marketing and commercial practices within professional football clubs. This negative perception is particularly prevalent in managers appointed from outside the industry. Whilst existing as a forum to exchange ideas and information, several respondents commented that it lacks credibility and often serves only to promote the products of *the seminar sponsor, rather* than provide information of any practical value for attendees.

I think the Commercial Managers Association needs to be totally looked at because it is very much still 'old school'. It is all a bit of a joke. Until you get newer blood into that association with more modern attitudes, and get it leaner and fitter, it won't change and be any benefit to anybody. (Merchandising Manager, M4)

The general feedback I get is that in the end they turn out to be meetings where people do a lot of talking but nobody is listening. It needs to be structured in an *academic way*. (Chairman, S2)

A vicious cycle of non-participation/attendance seems to have reduced the effectiveness of the CMA, according to our respondents. Many do not attend meetings because they doubt their value. Others do not attend because not all clubs participated and several managers feel that seminars and exhibitions organised by trade magazines are more beneficial than CMA meetings. Clubs obviously differ according to their position and experience in terms of marketing and commercial activities and capabilities. However, overall, it is felt that The League could facilitate greater and more effective contact among peers on a regular basis.

There isn't a forum of exchange with other clubs and I think clubs would benefit. If we had meetings regularly I think they would be extremely worthwhile. (Community Manager, L1).

### 7.7.3.2 Information

There is a general consensus, particularly among the large and medium-sized clubs, that access to centralised information would prove valuable to all clubs.

I think the Premier league could provide more information for us. I have been pushing for this for long time and it hasn't happened. (Marketing Manager, L2)

I'm sure there is a lot of collected information that should be made available. (Chairman, S2)

Noticeable among the majority of clubs is the perceived need for information which can be used for benchmarking among peer clubs within the same division. Amongst the larger clubs, a discernible need for benchmarking information can be seen in order to supplement in-house activities. The medium-sized clubs in the study echoes many of the views held by the large clubs. *However, their need for support was based on the need to identify, understand and implement best practice that will enable the club to grow off-field activities and significantly improve the effectiveness of marketing and commercial activities.* Without a centralised national database of such practices within clubs it is felt that such changes could not be achieved.

I believe that there should be a central database of information for benchmarking. For example we have brought our kiosk catering in-house and we have put a budget together for next year but we have not based our assumptions on any hard data. If we knew what the average spend per-head of catering at clubs in the north-west of England was, our budget would be more accurate. It would also be very useful to see what advertising hoarding prices, programme advertising prices *etc.* were at other clubs. We are not competing with each other. If we had that for football it would be a massive step forward. (CEO, M4)

Small clubs take the view that The Football League should operate in a similar manner to a conventional industry association, whereby all clubs (irrespective of size) have the same degree of access to information and support as others. However the CEO of one small club has suggested that there would be an inability of many smaller clubs to provide sufficient accounting data to enable benchmarking to occur.

### 7.7.3.3 Training

Views on the need for training support differ between clubs of different sizes and according to the degree of change and skills improvement required in relation to their marketing and commercial activities. The term training itself raised many questions, since its need varies between clubs and also needs to be different according to the specific activity and staff involved. The larger clubs point out the need for workshops and seminars that concentrate on specific activities such as community, merchandise *etc.* Smaller clubs express a need to have training geared toward their size of business, rather than an emphasis on larger clubs which could only provide guidance in the longer term.

There is a great variability in the knowledge, experience, and expertise of the commercial department's within the football clubs. If The League is going to look at training and education then the variability has to be considered and the whole thing has got to be structured so that those people can have a meaningful meal, digest it, and act upon it. (Chairman, S2)

A common theme among many of the smaller and medium-sized clubs is the argument that they need critical mass to justify marketing investment and the size of their businesses often prevents them from being able to hire high-quality marketing and commercial specialists, use outside consultants/agencies, and invest in staff training/development. It is felt that The Football League could therefore be more proactive in facilitating the purchase of centralised marketing services in order to benefit from economies of scale. In conclusion, many of the respondents feel that the Premier League and The Football League could enhance its value to their industry members by providing a marketing and commercial support service.

## 7.8 Summary

The next chapter summarises the findings from the primary research and addresses the implications within the overall aims and objectives of the study.

## **CHAPTER 8**

### **CONCLUSIONS & IMPLICATIONS**

## **CHAPTER 8: CONCLUSIONS & IMPLICATIONS**

This study was prompted by a lack of empirical research into marketing within professional sports organisations. To date, there has been no academic research in the area of professional sports which has considered sports marketing from an integrated or holistic perspective. The overall aim of this study was to add to the body of knowledge on marketing within professional sports organisations and provide a greater understanding of the necessary programmes for building market orientation within these organisations. This Chapter summarises the findings from the primary research investigation and explores the managerial and theoretical implications of these results within the context of the overall objectives of the study. It concludes by considering the possible directions for future research.

### **8.1 Findings**

The aim of the empirical research was to provide a greater understanding of the position and role of marketing within English professional football clubs. Specifically it sought to provide a multi-dimensional account of marketing within football clubs by examining management attitudes towards, organisation for, and implementation of marketing activities within English professional football clubs. The research sought to reveal the extent to which marketing principles and practices have been accepted and implemented by football clubs and explored the possibilities and problems of clubs moving from a traditional administrative orientation to a managerial or market orientation.

The quantitative survey found that marketing is becoming an established discipline within the football industry with the majority of clubs having formally organised marketing or commercial departments. In the majority of clubs the marketing and commercial function is perceived to have an equal or higher status than each of the other functional areas of the business, with the exception of playing/team management. However, marketing is still embryonic as an activity and philosophy within a number of clubs. While many football clubs do appear to have acquired the 'trappings' of marketing,

in the form of a marketing and commercial department, they are still some way from fully embracing the marketing concept. Some clubs possess only a limited understanding of marketing and view the discipline primarily as a corporate revenue making or promotional vehicle as opposed to a company-wide philosophy. These clubs are paying lip service to marketing with little or no emphasis placed on market research, strategy development, marketing planning, specialist recruitment, and training.

The questionnaire results suggest that, while the overall industry trend is towards a greater endorsement of the marketing concept, the extent of this transition varies between clubs and exhibits size connotations. The larger clubs are more likely to view marketing as a guiding philosophy for the whole club and less likely to see it confined to the marketing and commercial department. They are also more likely to employ chief executives and managing directors as well as commercial or marketing directors. The smaller the club the less likely they are to employ marketing specialists or attach any importance to marketing training. Small clubs are less likely to carry out customer research than their medium and large sized counterparts. The extent of formal marketing planning also varies by size with large clubs more likely to carry out annual and longer term plans while medium and small sized clubs are more likely to limit their marketing planning to annual budgeting. However, the survey results also show that there is considerable variability between clubs of similar size on a number of marketing issues particularly in terms of the numbers of commercial and marketing employees, the areas of responsibility, co-operation with other departments and frequency of market research. There was general agreement from the respondents within clubs of all sizes, that the League bodies should work more closely with the clubs' marketing departments and that they should provide more training courses. This suggests that many clubs are aware of the lack of professional expertise in specific areas of sports marketing.

The qualitative study confirmed much of what had been found in the quantitative survey but gave greater insight into how and why clubs were, or were not, carrying out various marketing activities. In particular it highlighted the complexities of moving towards a market orientation. As with the quantitative survey, clear differences were observed between clubs of different sizes on a number of marketing issues although there was



also variability in the quality and nature of specific aspects of marketing between clubs of similar size.

The majority of the large clubs benefit from new or modernised stadiums financed principally from the lucrative FA Premier League television contract with BskyB. These clubs have clearly had to implement new organisational structures and systems in order to manage their increasing numbers of employees and diversity of operations. Large clubs are moving away from flat structures and organising around particular functions and departments that focus on particular customer groups, *e.g.* corporate and consumer, or marketing activity *e.g.* public relations. The medium-sized clubs were all characterised by major structural changes as a result of recent top management appointments and a desire to operate in a more 'business like' fashion. Several of these clubs are trying to incorporate a management structure that encourages autonomy and responsibility with functional managers reporting in to the chief executive or managing director as opposed to the Chairman. Not surprisingly, the majority of the recently appointed senior executives at these clubs talk of the antiquated and archaic systems left by previous incumbents. Whilst care has to be taken with possible biases, these descriptions do confirm the findings from the literature presented in Chapters 4 and 5. Smaller clubs have less complex structures with commercial activities being typically carried out by one or two people. These commercial managers' responsibilities mainly revolve around corporate sales to advertisers, sponsors and match day hospitality. As a result many other activities are neglected, such as membership schemes, ticket drives, community activities and public relations. The commercial manager will typically report directly to the non-executive board members, many of who have no marketing or commercial experience. However, in some clubs the belief that the club is 'too small' has led to inertia and there is evidence that a lack of marketing expertise has led to many opportunities being missed.

As part of the structural overhaul of the non-playing side of the business many of the large and medium sized clubs have introduced a variety of mechanisms to facilitate co-ordination and co-operation between functional departments. A number of these clubs have appointed a person whose job is to co-ordinate commercial and marketing

activities and report to the senior executive officer, usually in the form of a chief executive or managing director. These senior managers have formalised regular inter functional/departmental meetings to encourage integration and cross fertilisation. Despite their more simplistic organisation structures, and in the absence of a co-ordinating manager, the smaller clubs are less likely to hold formalised meetings between commercial managers and various other functional managers. Lack of player co-operation was evident at clubs of all sizes although several clubs have recently put measures in place to improve the working relationship between the playing side and the commercial side. This has involved appointing staff to act as the interface or improving communication through the intervention of senior management. Similar changes have been made at many of these clubs to improve relations and co-operation between the commercial function and community operations with the appointment of a community manager who's job it is to provide a day-to-day contact with the externally funded football in the community officers.

The large majority of large sized clubs have appointed specialists from outside the industry. The general view is that management of commercial operations of a football club is not dissimilar to other commercial entities. These people have brought their own experiences from other industries and attempted to apply them. Many of these clubs, however, still value internal promotion as a way of harnessing expertise and providing rewards to their employees. All of the medium-sized clubs in the sample were in the formative stages of transition after appointing new senior executives within the previous two years. Prior to the recruitment of experienced functional managers, many of the medium sized clubs opted for a shake-up of existing managers who lacked experience, favoured the status quo, and undertook too many tasks to make a tangible contribution to the commercial development of the club. At the smaller clubs existing managers undertake a wide number of roles and have little or no administrative support, thereby diminishing their ability to focus upon policy development and new initiatives. In some cases, basic elements of marketing such as attendance drives, public relations, community initiatives, publications and the selling of advertising space, cannot be undertaken. Whilst the majority of the large clubs have realised the benefits of staff training, and have provisions in place for this purpose, the majority of medium and

small sized clubs in the qualitative study offered little or no training for their commercial employees and complained of being constrained by a combination of the availability and cost of training.

The degree and nature of market research activities within the qualitative sample varied. Whilst the majority of large-sized clubs use external consultants or have in-house market research expertise several of the medium sized clubs had taken a 'DIY approach' to market research resulting in less than satisfactory results. The large clubs made regular use of supporter forums as research and communications vehicles though this was less evident in the medium-sized clubs. The small clubs in the study had no formalised provisions in place to canvass views of corporate clients or supporters. Many of large and medium clubs in the qualitative study had invested in technology, in particular, database systems, although few had integrated their systems across all departments. The extent to which these clubs had fully harnessed the technology to develop relationships with their supporters and corporate clients was limited. Several of the medium sized clubs were only just moving from manual systems to using meaningful databases and customer contact systems. With the exception of one club, the small clubs in the study had little more than a basic database of season ticket members and computer based bookkeeping/accounting.

The nature and extent of marketing planning systems varies between the sample clubs within the qualitative study. In general, large clubs tend to have planning systems in place, although some variation between them exists with some carrying out little more than budgeting and forecasting and others adding commentary and narrative to these figures. The medium-sized clubs tended to vary more widely than their larger counterparts in terms of planning sophistication. While two of the clubs have taken a more strategic approach to their planning for several years two other clubs had just begun implementing planning systems on the arrival of new senior management. Planning activities in the small clubs were minimal and centred around setting budgets with decision making made at board level.

## **8.2 Managerial Implications**

It was the author's intention that this research initiative would provide vital managerial information from which sports marketers can benefit. The empirical findings from this study have highlighted the steps that professional football clubs are taking in order to implement marketing principles and practices. By providing insights into other clubs' experiences, this study has highlighted the many problems and possibilities of moving towards a market orientation and therefore provides a route plan for others to follow. It is hoped that sports marketers of the future can learn from the experiences of football marketers of the 1990s.

This study has attempted to enhance understanding of the issues involved in developing market orientation and to provide insights for managers trying to bring about this change. The examination of marketing within English professional football clubs has shown that the majority of large and medium sized clubs are taking steps to make the transition towards a market led, customer oriented business. What is clear from the research is that clubs are coping with this transition with varying degrees of success. The results show that the move toward market orientation or marketing excellence is a complex and lengthy process, which involves changes on many interrelated fronts. The challenge for senior management is to identify where programmes of change are required to configure the staff, skills, structure, systems and shared values that will enable the successful implementation of their chosen marketing strategies.

The results from the qualitative study suggest that leadership is a crucial element to the process of developing a market orientation within professional football clubs. Commitment from board members and the appointment of senior management executives is required in order to make the necessary structural and cultural changes. However, several of the clubs in the study were hampered by the myopic view of the chairmen and board who are more interested in the playing side than investing in commercial and community operations. Other clubs, however, had strong leadership from the top who recognised the importance and value of commercial and community operations and the symbiotic relationship with the playing side of the business. At these

clubs the marketing 'champion' was placing great emphasis on developing an integrated approach to marketing aimed at a range of stakeholders.

Senior management can also play an important role in achieving inter-functional co-operation and integration, an important pre-cursor to developing a market orientation. For a club to achieve its objectives, in terms of team performance and financial health, the playing and commercial arms of the business need to work together and pull in the same direction. Senior management have an important role to play in ensuring co-operation between the two sides of the business. For example, the extent to which the team manager encourages player co-operation will often be influenced by the philosophy and direction set by senior club management. With the majority of team managers in the study reporting into the Chairman, and therefore by-passing the senior commercial manager, board level management commitment is essential to ensure a harmonious relationship between the two sides of the business. What was clear from the study, was that very few chairmen were getting to grips with this important balancing act which has become ever more a central issue as football generates new revenue opportunities. At several of the clubs in the study, an atmosphere of friction between the commercial and playing side of the organisation was evident resulting in little co-operation between the two sides of the business.

This study has given some interesting indications of the extent to which professional football clubs have adopted marketing principles and practices. Whilst it is the general conclusion of this study that English professional football clubs have made a progressive move towards adopting marketing principles and practices, there is undoubted scope for many football clubs to take a much more professional marketing approach than they do at present.

The financial and economic analysis presented in this study identified the growing financial divide between the FA Premier League clubs and clubs in the Football League. The empirical findings from this study have highlighted the differences in the scale, complexity and sophistication of football club's marketing operations. The FA Premier League clubs benefit from substantial TV revenues and many are operating in national

and even global markets in terms of supporter and sponsor interest. Conversely, Football League clubs receive relatively little income from television rights sales and many are operating in local or regional markets. Whilst the basic principles of marketing can apply to clubs of all sizes, the nature of their marketing operations exhibits stark differences, particularly in terms of their marketing strategies and how they organise for marketing. By presenting the research data according to the size of the organisation, the findings presented in this study hopefully give sports marketers an insight into the possible role of marketing within their clubs, whatever the size.

With cross subsidisation within the industry becoming a thing of the past, and in light of the recent collapse of the television rights market for the Football League product, the commercial imperative has become ever more important for the smaller clubs within the industry. There is no reason why smaller football clubs cannot fully embrace marketing. Interestingly, only one of the small clubs in the qualitative sample appeared to be carrying out marketing to the same degree as their larger counterparts, all be it on a smaller scale. At this club the commercial manager considers product/service development, public relations, sales, and marketing as central to the role. Emphasis is placed on both corporate and consumer marketing. However, in the other small clubs in the sample, the belief that the club is 'too small' has led to inertia with a lack of investment in marketing expertise and many opportunities being missed. These clubs appear to have a limited grasp of what marketing is and what it can do for the club. At these clubs, marketing primarily focuses on corporate sales with little emphasis placed on initiatives aimed at existing and potential supporters, the media, and the wider community.

These findings support the view put forward by Deloitte & Touche, in their 1997 internal management report for the Football League, that many clubs have untapped commercial opportunities as a result of the parochial attitudes of the commercial managers. This study has found that, whilst the commercial managers are certainly not blameless, much of the initiative should rest with the club owners and board of directors. Ultimately, senior managers must lead the process of professional marketing. Their attitudes and leadership are critical pillars of this process.

The 1968 Chester Report suggested that the way forward for the smaller clubs, with a local or even regional following, was to link themselves better with the community. The findings from this study suggest that this has not materialised in many cases, with clubs often relying solely on the activities of the Football In the Community (FIC) officers to market themselves to their communities. The work of these officers is often restricted to running coaching classes, and they often find themselves working outside the business and commercial operations of the club with little support and investment. Clubs with a local or regional following can play an important social and economic role in their communities. It is therefore important that these clubs seek to understand the characteristics and expectations of their stakeholders. They need to develop more inclusive marketing strategies in order to engage and connect with the various constituents of their community. The recent emergence and growing influence of Supporters Trusts at many Football League clubs may well help this transition.

The findings from this study also provide implications for management at the League authorities. The industry analysis and the primary research results highlighted the differences in the scale of the commercial operations between Premier League clubs and their football League counterparts. Whilst the focus of this study has been on the marketing activities within professional football clubs, the concept of joint product interdependence within the industry, means that the role of the League authorities should not be ignored. The research found that there was a general feeling among senior marketing executives that the Football League and the Premier League could enhance its value to their industry members by providing a marketing and commercial support service. This type of support is common among many industry/trade associations and it is noticeable that US professional sports Leagues are more proactive in the support that they give to their franchises. The overall aim of such a service would be to promote and facilitate marketing excellence within member clubs. The service would benefit all industry members particularly the medium and smaller clubs who often lack the critical mass to justify investment in various marketing initiatives.

### 8.3 Theoretical Implications

The primary purpose of this research, in respect of theory development, was to extend the knowledge of marketing within professional sports organisations and provide a greater understanding of the necessary programs for building market orientation within these organisations.

Whilst it is accepted that the majority of football clubs have differing objectives from many other profit oriented organisations, including American sports franchises, the results from this study support the view, widely held within the marketing literature, that the marketing concept can be applied to any organisation, including professional sports clubs. What cannot be ignored, however, is that the implementation of the marketing concept needs to be adapted to the particular industry and organisational context. Sports marketers certainly need to be aware of their particular product market characteristics and will need to adapt their marketing strategies accordingly. This study has detailed some of the specific marketing strategies carried out by professional football clubs and has examined the organisational elements or enablers for strategy implementation that have been largely neglected in the sports marketing literature.

Research on the development of marketing within other industries and organisations suggests that the transition toward a market orientation is often evolutionary and can take a number of years. This appears to be the case within many English professional football clubs, who are finding that the move towards a market orientation is inherently a developmental process. Whilst the study found that marketing is *indeed* becoming an established discipline within the football industry the position and role of marketing within many professional football clubs is still some way from the models of 'best practice' presented in the literature. This perhaps supports the view that more academic attention is needed on the process of moving towards a market orientation.

One of the specific objectives of this study was to further explore the specific organisational factors which are related to developing and supporting a market orientation by examining the experiences of football clubs in attempting to move from a



traditional administrative orientation to a managerial or market orientation. Whilst it is accepted that no organisation is identical in terms of its architecture and external environment, there are many areas from this study that are applicable to all organisations that are attempting to move towards a market orientation. This study of English professional football clubs has found that there are indeed a range of factors that encourage or inhibit the transition toward a market orientation and that these factors are clearly not discrete and independent. Each of these factors are interrelated which means that a holistic change management process is required.

This study has made a contribution to the literature by using a staged approach to the primary research design, incorporating both quantitative and qualitative data collection methods in order to obtain a substantive knowledge set. As a result, the primary research in this study has filled the gap of looking at marketing, and in particular sports marketing, from a holistic and integrative perspective.

A review of literature suggested that there were a number of factors involved in developing market orientation. These factors are also put forward as the received wisdom on best practice in marketing, within both the marketing excellence and marketing audit literature. This study therefore used the McKinsey 7-S framework to synthesise the literature and bring all these interrelated factors together to provide a unifying multi-dimensional framework that incorporates the key factors that can be important in the transition to an effective market orientation. This integrative framework was successfully utilised across each stage of the research design in order to provide an in-depth holistic examination of the issues. The framework proved a valuable tool in designing the quantitative and qualitative research instruments and structuring analysis of the data collected. This study has therefore further demonstrated the validity and usefulness of the 7-S framework to both marketing academic and practitioners. It is worth emphasising that the framework is not, nor is it meant to be, a prescriptive model that if applied, provides marketing solutions for organisations. However, it is a valuable framework for both conceptualising key marketing management issues as well as helping the structuring of primary data collection and analysis of these issues within organisations.

#### **8.4 Directions for Future Research**

The findings, conclusions and implications of this study provide several possible directions for future research

One possible area for future research would be to replicate this study across other UK and international sports leagues. This would provide comparative data that would be of interest from both a practitioner and theoretical perspective. The research would aim to identify the extent to which other leagues/clubs have adopted sports marketing principles and practices and could also investigate the effects of the particular industry environments on their activities. Comparisons could be made between clubs of similar size who would have similar commercial demands, political complexities and supporter and stakeholder interest. For example, a study of marketing practices of some of the top football clubs in Italy, Spain and Germany could be compared with the large FA Premier League clubs in this study. Alternatively a study of English Rugby Union and League clubs would provide interesting comparisons with the medium sized Football League clubs. Linked to this would be the possibility of further examining the relationship between marketing practices within clubs and marketing performance. However, as has been pointed out earlier, this provides both conceptual and practical challenges. Firstly it will be necessary to identify objective performance measures that can isolate the effect of marketing activity from other business activities. Secondly one would need access to internal data sources that would provide these measures and enable comparison between clubs. Whilst an attempt has been made in this study to identify the performance of clubs commercial operations based on published turnover figures it is recognised that more specific revenue and cost data is required to provide for any meaningful analysis.

A second avenue for future research would be to repeat the primary research study in order to see what changes and developments have been made within the clubs since the original data collection. Rather than providing just a snapshot of current practice the resulting data could provide a dynamic, longitudinal perspective on sports marketing

practices within the clubs over a period of time. Re-visiting the clubs and staff from the original qualitative sample could give a greater insight into the change process that many clubs were undergoing as well as the perceived success of these changes. The impact of recent industry changes could be examined and in particular whether they have provided greater or less incentive for clubs to be market oriented.

A further area for future research would be the development and implementation of a diagnostic tool which would enable sports marketers to carry out an audit of their sports marketing operations. Whilst there has been some academic interest in developing a marketing audit tailored for the service sector, to date there has been no such work on developing and operationalising a marketing audit that was tailored to the specific context of sports marketing. The 7-S framework presented and utilised in this study provides an ideal basis for the development of such a management tool. Any audit of a clubs sports marketing operations would need to assess the various marketing strategies as well as the important supporting elements such as structures, systems, staff, skills and shared values. Such a tool could incorporate benchmark measurements to allow comparisons with other departments within the organisation as well as comparisons with other organisations both within and outside their industry sector.

In conclusion, this study has attempted to fill a much-needed gap in the literature relating to the marketing of professional sports organisations. It is hoped that this study has contributed to the body of knowledge on marketing in professional sports clubs and will help stimulate further interest in this largely unexplored area. Further research on the marketing of professional sports organisations is certainly needed and this study has attempted to establish a foundation for future research in this domain.

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# Appendix 6.1 Questionnaire



Mr Ken Beamish  
Commercial Manager  
Blackburn Rovers Football Club  
Ewood Park  
Blackburn, Lancashire  
BB2 4JF



Leicester Business School  
Department of Marketing

14 July 1997

Dear Mr Beamish

As you well know, marketing within the UK football industry is a fairly recent phenomena, and, as such very little research has been carried out with specific reference to specific marketing principles and practises.

With this in mind, the *Commercial and Marketing division of the Premier League* is endorsing a research project, by De Montfort University's School of Business, which aims to examine marketing and promotional practises within the industry. The objective is to develop a representation of marketing activities within the League and to determine the extent to which various marketing techniques are used by Premier League clubs.

Strategic marketing implications will be drawn for both the clubs and the industry as a whole. The support of all clubs is essential to the success of the study and a positive response can only aid Clubs in facing future marketing challenges. The study is **completely confidential** and all Clubs will receive a copy of the aggregated results.

Please find enclosed a copy of the research questionnaire along with an instruction and information sheet outlining the objectives and the likely benefits of the study. We would be extremely grateful if you could spend fifteen minutes to complete the questionnaire and return it, at your earliest convenience, in the stamped addressed envelope provided. If you have any questions or if you require more information about the project please do not hesitate to call me on 0116 2551551 (Ext 8237).

May I take this opportunity to thank you in advance for your support and co-operation in this innovative research project.

Yours sincerely

D. Hudson  
Senior Lecturer in Marketing

# The Football League Marketing Management Questionnaire



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## Some questions answered

### ***Why has the questionnaire been sent to you?***

*This questionnaire has been designed as part of a project looking at the position and role of marketing in professional football clubs. A copy of the questionnaire has been sent to every professional football club in England and Wales. The overall aim of the research study is to identify attitudes towards, organisation for and implementation of marketing activities in professional football clubs. The project is fully endorsed by The Football League.*

### ***Who should complete the questionnaire?***

Senior marketing/commercial managers or the appropriate responsible director/manager.

### ***What happens to the replies?***

All responses will be treated in confidence. The questionnaires will be analysed by De Montfort University's School of Business. The aggregate findings will be written up for final publication, but individual responses will remain anonymous. These findings will be presented to The Football League.

### ***How can you benefit from this project?***

We will be happy to provide you with the results of our research findings. These will be provided in a short concise report. Strategic marketing implications will be drawn for the clubs allowing them to meet the challenges up to and beyond the millennium.

### ***Where do I return the questionnaire?***

Please return the questionnaire in the enclosed stamped-addressed envelope to:

David Hudson  
Department of Marketing  
School of Business  
De Montfort University  
The Gateway  
Leicester LE1 9BH

***Thank you for your co-operation***

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# The Premier League Marketing Management Questionnaire



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## Some questions answered

### ***Why has the questionnaire been sent to you?***

This questionnaire has been designed as part of a project looking at the position and role of marketing in professional football clubs. A copy of the questionnaire has been sent to every professional football club in England and Wales. The overall aim of the research study is to identify attitudes towards, organisation for and implementation of marketing activities in professional football clubs. The project is fully endorsed by The Premier League.

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Senior marketing/commercial managers or the appropriate responsible director/manager.

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David Hudson  
Department of Marketing  
School of Business  
De Montfort University  
The Gateway  
Leicester LE1 9BH

***Thank you for your co-operation***

# The Premier League Marketing Management Questionnaire

## Instructions

Please mark boxes boldly, like this ☒ Do NOT tick, cross or circle.  
Use only pencil, or black or blue biro, when completing this form.

1. Would you like to receive a copy of our research findings? Yes ☐ No ☐

## Part A: You and your Club

2. What is your job title? Marketing Director ☐ Marketing Manager ☐  
Commercial Director ☐ Commercial Manager ☐ Other (please state) ☐

3. Length of time in current position? Less than 1 year ☐ 1-3 years ☐ 4-5 years ☐ More than 5 years ☐

4. What industry area was your previous employment in? (Please mark one)

- |   |   |  |
|---|---|--|
| Football <input type="checkbox"/>                                 |   |  |
| Other sport (please state) <input type="checkbox"/>               | Business/industrial services <input type="checkbox"/> |  |
|   | Financial/financial services <input type="checkbox"/> |  |
|   | Media <input type="checkbox"/>                        |  |
| Fast-Moving-Consumer-Goods Manufacturing <input type="checkbox"/> | Charity/society <input type="checkbox"/>              |  |
| Consumer Durables Manufacturing <input type="checkbox"/>          | Public sector <input type="checkbox"/>                |  |
| Retail/wholesale <input type="checkbox"/>                         | Other (please state) <input type="checkbox"/>         |  |
| Consumer services <input type="checkbox"/>                        |   |  |
| Business /industrial/technical products <input type="checkbox"/>  |   |  |

5. What functional area was your previous employment in? (Please mark one)

- |   |   |
|---|---|
| Marketing/commercial <input type="checkbox"/> | Finance <input type="checkbox"/>              |
| Sales <input type="checkbox"/>                | Production <input type="checkbox"/>           |
| General management <input type="checkbox"/>   | Playing/coaching <input type="checkbox"/>     |
| Administration <input type="checkbox"/>       | Other (please state) <input type="checkbox"/> |
| Personnel <input type="checkbox"/>            |   |

6. How old are you? 18-30 ☐ 31-40 ☐ 41-50 ☐ 51-60 ☐ 61+ ☐

7. What gender are you? Male ☐ Female ☐

8. How many employees does your club have?

- |   | 1-5                      | 6-10                     | 11-15                    | 16-20                    | 21-25                    | 26-30                    | 31-35                    | 36-40                    | 40+                      |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Marketing/commercial <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Playing/coaching <input type="checkbox"/>     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Administration <input type="checkbox"/>       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ground staff <input type="checkbox"/>         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other (please state) <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

0 <input type="checkbox"/>	0 <input type="checkbox"/>	0 <input type="checkbox"/>
1 <input type="checkbox"/>	1 <input type="checkbox"/>	1 <input type="checkbox"/>
2 <input type="checkbox"/>	2 <input type="checkbox"/>	2 <input type="checkbox"/>
3 <input type="checkbox"/>	3 <input type="checkbox"/>	3 <input type="checkbox"/>
4 <input type="checkbox"/>	4 <input type="checkbox"/>	4 <input type="checkbox"/>
5 <input type="checkbox"/>	5 <input type="checkbox"/>	5 <input type="checkbox"/>
6 <input type="checkbox"/>	6 <input type="checkbox"/>	6 <input type="checkbox"/>
7 <input type="checkbox"/>	7 <input type="checkbox"/>	7 <input type="checkbox"/>
8 <input type="checkbox"/>	8 <input type="checkbox"/>	8 <input type="checkbox"/>
9 <input type="checkbox"/>	9 <input type="checkbox"/>	9 <input type="checkbox"/>



**9. Do you have any of the following appropriate professional qualifications? (Please mark as many as are applicable)**

CIM Diploma in Marketing	<input type="checkbox"/>	Diploma in Management Studies	<input type="checkbox"/>	Other (Please state)	<input type="checkbox"/>
CIM Certificate in Marketing	<input type="checkbox"/>	HNC in Business	<input type="checkbox"/>		
Business/related Degree	<input type="checkbox"/>	HND in Business	<input type="checkbox"/>		

**10. Approximately where does the club's income come from?**

	0-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%	Don't know
% from gate income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
% from non-gate income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**11. Approximately where does the non-gate income come from?**

	0-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%	Don't know
% from league authorities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
% from television/radio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
% from sponsorship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
% from clubs merchandising/shopsales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
% from corporate advertising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
% from corporate hospitality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
% from conference & banqueting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
% from catering	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
% from lotteries and prize-draws	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
% from other sources (please state)											
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**12. What are the roles of the following people at your club? (Please mark as many as are applicable)**

	Figurehead	Financier	Policy maker	Administrator	Other	Don't know
Chairman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vice-Chairman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chief Executive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Secretary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing/Commercial Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Part B: Company attitudes to marketing**

**13. How well does each of the following statements describe the role of marketing in your club?**

	Not at all	To some extent	Exactly
Marketing is primarily a selling function	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing promotes our products and services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing is identifying customer needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing is confined to the marketing/commercial department	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing is seen as a guiding philosophy for the whole club	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing is non-existent in our club	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**14. Using your knowledge of the club please state how important, or unimportant, the following objectives are to the club?**

	Very unimportant 1	Fairly unimportant 2	Neither unimportant nor important 3	Fairly important 4	Very important 5
Playing success	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial success	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Entertaining spectators	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crowd safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ground improvement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local area success	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other objectives (please state)					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

15. What strategy best describes the club's approach to the future? (Please mark one)

- Wait and see what happens then react ☐
- Predict the future and adapt to it ☐
- Identify possible future scenarios then plan to bring them about ☐

Part C: Organisation for marketing

16. How would you best describe how marketing/commercial activities are organised in your club? (Please mark one)

- A marketing department ☐
- A commercial department ☐
- A sales department ☐
- The responsibility of one or more people (but not within a department) ☐
- Other (please state) ☐

17. Please state the number of full-time employees responsible for marketing/commercial activities:

- none ☐ 4 ☐ 16-20 ☐
- 1 ☐ 5 ☐ 21-25 ☐ 35+ ☐
- 2 ☐ 6-10 ☐ 26-30 ☐
- 3 ☐ 11-15 ☐ 31-35 ☐

18. How many full-time employees do you have working in the following marketing/commercial areas?

	1	2	3	4	5	6-10	11-15	16-20	21-25	26-30	31-35	36-40	40+
Conference and banqueting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sponsorship/advertising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Membership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Retail sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Desk top publishing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Media/public relations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community relations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others (please state)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. Is marketing represented at board level? Yes ☐ No ☐

20. Who does the person responsible for marketing report to?

- Secretary ☐ Managing Director ☐
- Chairman ☐ Board ☐
- Vice-Chairman ☐ Other (please state) ☐
- Chief Executive ☐

21. In your opinion what is the status of the marketing/commercial function compared to the following functions:

	Lower status 1	Equal status 2	Higher status 3
Playing/team management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community relations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Club administration/secretary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Finance/accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ticketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Safety/ground	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others (please state)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

22. To what extent, if at all, does the marketing/commercial management have responsibility for any of the following?

	No responsibility 1	Some responsibility 2	Total responsibility 3
Public/media relations	[ ]	[ ]	[ ]
Selling advertising	[ ]	[ ]	[ ]
Creating advertising	[ ]	[ ]	[ ]
Direct marketing	[ ]	[ ]	[ ]
Sponsorship	[ ]	[ ]	[ ]
Promotions (give-aways, prize draws)	[ ]	[ ]	[ ]
Pricing	[ ]	[ ]	[ ]
Merchandise	[ ]	[ ]	[ ]
Ground facilities/services	[ ]	[ ]	[ ]
Ticketing/attendance	[ ]	[ ]	[ ]
Membership	[ ]	[ ]	[ ]
Marketing training	[ ]	[ ]	[ ]
Marketing planning	[ ]	[ ]	[ ]
New product/service launches	[ ]	[ ]	[ ]
Market research	[ ]	[ ]	[ ]
Catering	[ ]	[ ]	[ ]
Corporate hospitality	[ ]	[ ]	[ ]
Conference & banqueting	[ ]	[ ]	[ ]
Club/player image	[ ]	[ ]	[ ]
Off season revenue	[ ]	[ ]	[ ]
Players off field activities	[ ]	[ ]	[ ]
Players contracts	[ ]	[ ]	[ ]
Matchday programmes	[ ]	[ ]	[ ]

23. To what extent, if at all, does management in other departments work with marketing/commercial management?

	Never 1	Sometimes 2	Always 3
Playing/team management	[ ]	[ ]	[ ]
Club administration/secretary	[ ]	[ ]	[ ]
Finance/accounts	[ ]	[ ]	[ ]
Ticketing	[ ]	[ ]	[ ]
Safety/ground	[ ]	[ ]	[ ]
Community relations	[ ]	[ ]	[ ]

24 To what degree is the following statement accurate or inaccurate?

*"Marketing specialists with proven experience are employed at relevant levels"*

Very inaccurate 1	Fairly inaccurate 2	Neither inaccurate nor accurate 3	Fairly accurate 4	Very accurate 5
[ ]	[ ]	[ ]	[ ]	[ ]

25 What degree of importance, or unimportance, is attached to marketing training by the club?

Very unimportant 1	Fairly unimportant 2	Neither unimportant nor important 3	Fairly important 4	Very important 5
[ ]	[ ]	[ ]	[ ]	[ ]

26 How often, if at all, does your club use the following training methods for your marketing employees?

	Never 1	Sometimes 2	Frequently 3
Internal courses run by marketing department	[ ]	[ ]	[ ]
Internal training courses run by outside consultants	[ ]	[ ]	[ ]
External courses run by the League	[ ]	[ ]	[ ]
External courses run by the F.A.	[ ]	[ ]	[ ]
External training courses run by outside consultants	[ ]	[ ]	[ ]
Sponsorship of executives on part time courses	[ ]	[ ]	[ ]
Other (please state)	[ ]	[ ]	[ ]

## Part D: Marketing information and planning

27. Does the club carry out strategic business planning or not?

Yes ☐

No ☐ If "No" please go to Question 30

28. How far ahead does the club plan their business activities?

1 season ☐

6-10 seasons ☐

2-5 seasons ☐

11+ seasons ☐

29. Which of the following statements best describes the role of marketing input in relation to the club's strategic business planning process? (Please mark one)

There is no or limited marketing input ☐

There is a major marketing input ☐

Marketing leads strategic planning ☐

30. What is the extent of formal marketing planning in the club? (Please mark one)

Little or none ☐

Limited to annual budgeting ☐

A separate annual marketing plan ☐

An annual and longer term plans ☐

31. Approximately how often, if at all, do you carry out/commission any of the following investigations/surveys?

	Every 1-2 years 1	Every 3+ years 2	Never 3
Analyses of other club's marketing operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advertising/promotion effectiveness studies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market/customer characteristic surveys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pricing studies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Merchandise testing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market characteristics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Club image studies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sponsor satisfaction surveys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supporter satisfaction surveys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
New product/service feasibility studies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

32. How often, if at all, do you use outside consultants for any of the following?

	Never 1	Sometimes 2	Frequently 3
Market research	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public relations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Direct marketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sponsorship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promotions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advertising/promotion literature design	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others (please state) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

33. Do you use computers for the following marketing activities?  
(Please mark as many as are applicable)

Mailing lists ☐

Promotional literature design ☐

Ticketing ☐

Pricing ☐

Merchandising stock control ☐

Others (please state) \_\_\_\_\_ ☐

\_\_\_\_\_ ☐

\_\_\_\_\_ ☐

34. Do you have a computerised database containing the following groupings?  
(Please mark as many as are applicable)

Members ☐

Corporate client ☐

OAP's ☐

Juniors ☐

Press/media ☐

Sponsors/advertisers ☐

Others (please state) \_\_\_\_\_ ☐

\_\_\_\_\_ ☐

## Part E: Marketing practices and execution of the marketing effort

35. How important, or unimportant, are the following objectives for your marketing department?

	Very unimportant 1	Fairly unimportant 2	Neither unimportant nor important 3	Fairly important 4	Very important 5
Attendance levels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Season ticket levels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Membership levels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Merchandise revenue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate client revenue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sponsorship/advertising revenue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conference & banqueting revenue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Catering revenue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Club/player image	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Off season revenue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lottery revenue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please state) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

36. Do you offer any of the following products/services?  
(Please mark as many as are applicable)

Information line	<input type="checkbox"/>
Radio/telephone match commentary	<input type="checkbox"/>
Credit card booking	<input type="checkbox"/>
Magazine/newsletter	<input type="checkbox"/>
Travel club	<input type="checkbox"/>
Open days	<input type="checkbox"/>
Merchandise club shop	<input type="checkbox"/>
Mail order merchandise catalogue	<input type="checkbox"/>
Internet site	<input type="checkbox"/>
Mascot packages	<input type="checkbox"/>
Ground tours	<input type="checkbox"/>
Others (please state) _____	<input type="checkbox"/>
_____	<input type="checkbox"/>

37. What club facilities do you offer or let out to other organisations? (Please mark as many as are applicable)

Pitch hire	<input type="checkbox"/>
Restaurant	<input type="checkbox"/>
Social/members room	<input type="checkbox"/>
Conference rooms	<input type="checkbox"/>
Hospitality boxes	<input type="checkbox"/>
Bar	<input type="checkbox"/>
Gymnasium	<input type="checkbox"/>
Indoor sports hall	<input type="checkbox"/>
Physiotherapy services	<input type="checkbox"/>
Coaching	<input type="checkbox"/>
Others (please state) _____	<input type="checkbox"/>
_____	<input type="checkbox"/>
_____	<input type="checkbox"/>

38. Approximately what percentage of your average gate is made up of season ticket holders?

1%-20%	21%-40%	41%-60%	61%-80%	81%-100%
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

39. Approximately what percentage of your average gate is made up of registered members?

1%-20%	21%-40%	41%-60%	61%-80%	81%-100%
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

40. How important, or unimportant, are the following elements in your club's marketing strategy?

	Very unimportant 1	Fairly unimportant 2	Neither unimportant nor important 3	Fairly important 4	Very important 5
Image of club	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Winning nature of your team	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Style of play	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Competitiveness of the division	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your players' star status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advertising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public/media relations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pricing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promotions (give-aways, prize draws)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sponsorship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Merchandising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Direct marketing (mailings, telemarketing)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Location of club	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Media relations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community relations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ground facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

41. How important, or unimportant, are the following promotional elements in your strategy?		Very unimportant 1	Fairly unimportant 2	Neither unimportant nor important 3	Fairly important 4	Very important 5
	National TV	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	National radio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	National press	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Local/regional TV	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Local/regional radio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Local/regional press	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Direct mail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Direct response advertising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Telemarketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Personal selling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

42. How would you describe your club's pricing policy for matches? (Please mark as many as are applicable)	
What the market will stand <input type="checkbox"/>	Based on competitor pricing <input type="checkbox"/>
Cost plus <input type="checkbox"/>	Last year plus <input type="checkbox"/>

43. Please state how important or unimportant the following objectives are to the club's pricing policy for matches?		Very unimportant 1	Fairly unimportant 2	Neither unimportant nor important 3	Fairly important 4	Very important 5
	Profit maximisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Attendance maximisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Ensure adequate cash flow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Maximise sales revenue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Other (please state) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

44. To what extent, if at all, does the club take into account any of the following factors when setting match day prices?		Never 1	Sometimes 2	Always 3
	Whether the game is being televised live	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Your team's position in the championship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	The opposition position/attractiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	The opposition crowd following	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Competitive games in the area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Break-even cost (fixed & variable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Number of matches that fortnight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

45. Approximately where does the club's merchandise income come from?	0-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%	Don't know
% from replica kits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
% from other branded merchandise	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

46. Which of the following production strategies do you adopt for your merchandise?		Replica kits	Other branded merchandise
(Please mark as many as are applicable)	Manufacturer is contracted to produce merchandise for club	<input type="checkbox"/>	<input type="checkbox"/>
	Licenses are granted to produce and market merchandise	<input type="checkbox"/>	<input type="checkbox"/>
	Don't know	<input type="checkbox"/>	<input type="checkbox"/>

## Part F: Marketing and The Premier League

47. Please indicate your level of agreement, or disagreement, with the following statements, based on your overall experience(s) with The League.		Very strongly disagree 1	Fairly strongly disagree 2	Neither disagree nor agree 3	Fairly strongly agree 4	Very strongly agree 5
	The League should provide more marketing training courses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	The League should work closer with our marketing/commercial dept.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	The League understands our marketing/commercial requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	The League can provide advice and support if needed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	The League's sponsorship initiatives perform to my expectations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	The League should undertake more studies like this in future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	The League performs to my expectations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## **Appendix 6.2 Football League Internal Publicity Announcement**

THE FOOTBALL LEAGUE LIMITED  
*Commercial & Marketing Division*



22nd April 1997

TO ALL COMMERCIAL/MARKETING MANAGERS

Dear Colleague,

Winchester House  
259-269 Old Marylebone Road  
London NW1 5RA

Telephone: (0171) 224 9944  
Facsimile: (0171) 723 2792

As you well know, Marketing within the UK football industry is a fairly recent phenomena, and, as such very little research has been carried out with specific reference to marketing principles and practises.

With this in mind, the Commercial and Marketing Division of The Football League has linked up with De Montfort University's School of Business to carry out a comprehensive examination of marketing and promotional practises within The Football League.

The objective is to develop a representation of marketing activities within The League and to determine the extent to which various marketing techniques are used by Football League Clubs. Strategic marketing implications will be drawn for both the clubs and the industry as a whole. For your information, your Chairman has been informed of this initiative (see enclosed).

Please find enclosed a copy of the research questionnaire along with an instruction and information sheet outlining the objectives and likely benefits of the study. We would be extremely grateful if you could spend fifteen minutes to complete the questionnaire and return it, at your earliest convenience, in the self-addressed envelope to David Hudson, Senior Lecturer in Marketing at De Montfort University.

At this point, we should like to acknowledge the support of De Montfort University, who are very kindly sponsoring the cost of this research under their Academic Grant scheme.

If you have any questions or if you require more information about the project, please do not hesitate to contact either myself or Graham Walker here at Winchester House.

May I take this opportunity to thank you in advance for your support and co-operation in this innovative research project.

Yours sincerely,

STEVE SUTHERLAND  
MARKETING EXECUTIVE



## **Appendix 6.3 Questionnaire Respondent Analysis**

CLUB	DIV	AV GATE	TURNOVE
Man Utd	Premier	55081	87939000
Liverpool	Premier	39777	39153000
Arsenal	Premier	37821	27158000
Newcastle	Premier	36466	41134000
Everton	Premier	36186	18882000
Aston Villa	Premier	36027	22079000
Leeds	Premier	32109	21785000
Middlesbrough	Premier	29848	22502000
Chelsea	Premier	27001	23729000
Man City	Division 1	26753	12727000
Blackburn	Premier	24947	14302000
Wolves	Division 1	24783	11436000
West Ham	Premier	23242	15256000
Leicester	Premier	20184	17320000
Coventry	Premier	18623	12265000
Birmingham	Division 1	17751	7622000
Sheffield U.	Division 1	16638	5133000
Crystal Palace	Division 1	16085	7856000
Bolton	Division 1	15826	7853000
Wimbledon	Premier	15156	10410000
Southampton	Premier	15099	9238000
WBA	Division 1	15064	6073000
Norwich	Division 1	14719	6271000
Bradford	Division 1	12925	7596000
Stoke	Division 1	12698	5026000
QPR	Division 1	12554	7497000
Huddersfield	Division 1	12175	3745000
Ipswich	Division 1	11953	8226000
Barnsley	Division 2	11356	3658000
Charlton	Division 1	11081	4330000
Bristol City	Division 2	10802	2250000
Burnley	Division 2	10053	3701000
Swindon	Division 1	9917	4695000
Preston	Division 2	9411	3847000
Reading	Division 2	9180	3311000
Watford	Division 2	8894	2983000
Oxford	Division 1	7608	3298000
Port Vale	Division 1	7385	2711000
Oldham	Division 1	7045	3098000
Luton	Division 2	6781	2955000
Stockport	Division 2	6424	2945000
Brighton	Division 3	5884	1102000
Brentford	Division 2	5832	1921000
Bristol Rovers	Division 2	5630	1374000
Carlisle	Division 3	5440	2847000
Wycombe	Division 2	5232	3218000
Southend	Division 1	5072	2664000
Blackpool	Division 2	4987	2432000
Chesterfield	Division 2	4639	3222000
Bury	Division 2	4502	1889000
Leyton Orient	Division 3	4336	1462000
Notts County	Division 2	4239	1354000
Wrexham	Division 2	4112	1732000
Crewe	Division 2	3978	1406000
Wigan	Division 3	3899	909,000
Walsall	Division 2	3892	2404000
Cardiff	Division 3	3594	1164000
Cambridge	Division 3	3363	784,000
York	Division 2	3359	1064000
Colchester	Division 3	3245	908,000
Shrewsbury	Division 2	3177	869,000
Lincoln	Division 3	3183	1041000
Rotherham	Division 2	2844	799,000
Darlington	Division 3	2796	819,000
Scunthorpe	Division 3	2606	1072000
Torquay	Division 3	2380	757,000
Mansfield	Division 3	2282	885,000
Barnet	Division 3	2141	
Hartlepool	Division 3	2107	762,000
Rockdale	Division 3	1829	722,000

total responses 894948 5.83E+08

AFC Bournemouth	2	4581	1149000
Chester City	3	2263	1199000
Derby County	0	17889	10738000
Doncaster	3	2091	517000
Exeter City	3	3014	1096000
Fulham	3	6644	2057000
Gillingham	2	6021	2686000
Grimby Town	1	5859	2152000
Hereford U.	3	2931	1035000
Hull City	3	3413	799000
Millwall	2	7743	5061000
Northampton	3	4823	1645000
Nottingham	0	24587	14435000
Peterborough	2	5295	3452000
Plymouth	2	6495	2297000
Portsmouth	1	8857	4351000
Scarborough	3	2455	809000
Sheff Wed U.	0	25693	14335000
Sunderland	0	20665	13415
Swansea City	3	3850	1023000
Tottenham	0	31067	27674000
Tranmere	1	8127	3484000

total non responses 204563 1.02E+08

response % 81% 85%

## **Appendix 6.4 Pilot Case – List of Interviewees**

CLUB	INTERVIEWEES
PILOT	MANAGING DIRECTOR MARKETING DIRECTOR HEAD OF OPERATIONS HEAD OF ACCOUNTS MARKETING MANAGER COMMUNICATIONS MANAGER TICKETING MANAGER RETAIL MANAGER PUBLICATIONS MANAGER BUSINESS DEVELOPMENT MANAGER COMMUNITY MANAGER CORPORATE SALES MANAGER CATERING MANAGER

## **Appendix 6.5 Qualitative Sample - Letter of Approach**



DE MONTFORT  
UNIVERSITY  
LEICESTER

Leicester Business School  
Department of Marketing

23-04-98

Dear

**Re: Research Study - Marketing in Professional Football Clubs**

As you are probably aware I am currently carrying out research into the position and role of marketing in professional football clubs which has received the full endorsement of The Football League. The overall aim of the research study is to identify attitudes towards, organisation for and implementation of marketing & commercial activities in professional football clubs.

I have already completed a questionnaire survey which received a favourable 75% response from all League clubs. Copies of the questionnaire analysis were sent out to all clubs in early January 1998. The next stage of the research programme aims to gain a greater insight into some of the key issues identified in the questionnaire survey. It is proposed to carry out qualitative research in order to look, in more detail, at the marketing practices of a cross-section of clubs from within The Football League.

It is proposed that a visit will be made to the selected clubs over the next two to three months to carry out a 'sports marketing audit' involving interviews with senior management. All information gathered will be treated in confidence. The aggregate findings will be written up for publication but individual club responses will remain anonymous. Participating clubs will receive a copy of the report. -

I would like to formally invite \_\_\_\_\_ to take part in this stage of the research programme as I feel your club's input to the study would be invaluable. I should like to contact your office early next week with a view to discussing the project and to look at possible dates for the visit to be carried out. I trust this will be acceptable and look forward to talking to you.

Yours sincerely

David Hudson  
Senior Lecturer (Ext 8237 / 7677)

The Gateway Leicester LE1 9BH Telephone (0116) 255 1551 Fax (0116) 251 7548

De Montfort University has centres at Leicester, Milton Keynes, Bedford and Lincoln

## **Appendix 6.6 Club Visits - Advance Letter**



**DE MONTFORT  
UNIVERSITY  
LEICESTER**

Leicester Business School  
Department of Marketing  
19-05-98

Dear

**Re: Research Visit: Marketing in Professional Football Clubs**

Thankyou for agreeing to take part in the above research study. I confirm that I will be visiting the club on . Ideally the visit will involve the following;

1. A tour around the ground, facilities and offices
2. Semi-structured interviews with the following members of staff;
  - Acting CEO (1hr)
  - Senior marketing/commercial manager (1-2hrs),
  - executives responsible for specific marketing/commercial activities (if appropriate) e.g. merchandising, PR etc. (30mins).

Discussion topic areas are attached for your guidance

3. The opportunity to take a look at any evidence of marketing and commercial activity e.g.
  - Organisation charts
  - Marketing plans
  - Market research reports
  - Financial reports - revenues, costs, margins for commercial function
  - Promotional literature - brochures, catalogues, mail shots, advertisements
  - Press coverage
  - Match-day programmes, publications

Could you please send directions in advance of the visit. Additionally if you have any literature which you can send in advance which you feel might provide useful background information on the club e.g. organisational chart, press cuttings, company reports, it would be much appreciated. Please do not hesitate to call if you have any queries.

Once again I would like to thank you for your co-operation in this initiative and look forward to meeting you on the .

Yours sincerely

David Hudson (Ext 7677)



## **Research Visit: Discussion Areas**

It is envisaged that discussions will revolve around the following areas;

### **Structure**

- How marketing activities are organised
- Areas of responsibility
- Relationships with other functions

### **Strategy**

- Revenue streams (corporate/non-corporate):
  - Sponsorship/advertising
  - Match day/Event
  - Retailing/merchandise
  - Ground utilisation
  - Ancillary products/services
- Pricing - demand management
- Promotional activities (Advertising, direct marketing, sales promotions)
- Services/entertainment
- Ticketing
- Media relations/PR
- Community relations

### **Systems**

- Planning systems - (business and marketing planning)
- Information systems
- Evaluation/control systems - benchmarking performance indicators

### **Staff**

- Staffing resources and skills
- Internal marketing activities
- Training

Additionally the discussions will aim to ascertain management styles and the overall culture of the organisation.

## **Appendix 6.7 List of Interviewees by Club**

<b>CLUB</b>	<b>INTERVIEWEES</b>
L1	DIRECTOR OF MARKETING HEAD OF BRANDED PRODUCTS RETAIL MANAGER COMMUNITY OFFICER
L2	COMMERCIAL MANAGER PROMOTIONS EXECUTIVE RETAIL MANAGER
L3	GENERAL MANAGER COMMERCIAL MANAGER
L4	MANAGING DIRECTOR OPERATIONS MANAGER MARKETING MANAGER COMMUNITY MANAGER RETAIL MANAGER
L5	MANAGING DIRECTOR CORPORATE MARKETING MANAGER CONSUMER MARKETING MANAGER
M1	MANAGING DIRECTOR BUSINESS DEVELOPMENT MANAGER
M2	DIRECTOR OF MARKETING COMMUNITY MANAGER COMMERCIAL MANAGER RETAIL MANAGER PR OFFICER
M3	GENERAL MANAGER SALES MANAGER PROMOTIONS MANAGER COMMUNITY MANAGER MERCHANDISE MANAGER
M4	CHIEF EXECUTIVE PUBLICATIONS MANAGER MERCHANDISE MANAGER COMMUNITY MANAGER
M5	CHIEF EXECUTIVE HEAD OF SALES AND MARKETING PR MANAGER
S1	SALES AND MARKETING MANAGER CONFERENCE & BANQUETING MANAGER FINANCIAL CONTROLLER
S2	CHAIRMAN MARKETING MANAGER CLUB SECRETARY RETAIL ASSISTANT
S3	COMMERCIAL MANAGER PR MANAGER
S4	MANAGING DIRECTOR COMMERCIAL MANAGER

## **Appendix 6.8 Interview Guide**

# **INTERVIEW GUIDE**

## **Structure**

How are marketing & commercial activities organised/structured in the club?  
(by customer, industry, product/service)  
What are the areas of responsibility?  
How many employees in each area?  
Who does person responsible for marketing/commercial activities report to?  
Is there a high (board) level marketing officer with adequate authority and responsibility over activities that affect customer satisfaction?  
To what extent is the organisation decentralised and managers held accountable and rewarded for success? How much autonomy is allowed?  
Are the duties of marketing and commercial staff clearly delineated with defined lines of authority and communication?  
How closely does marketing function work with other functions? Is there satisfactory co-operation and co-ordination? Ticketing, community relations, playing, security, administration, travel?  
Who is in charge of overall customer service?  
Are all the marketing and commercial activities integrated or is there some unproductive conflict?  
Are there systems in place to encourage cross selling?  
Do you use outside agents/suppliers? programme design, advertising, tele-sales, market research? How do you choose them? Selection process, League/club referral?

## **Planning Systems**

Does the marketing department play an important role in formulating the club's strategy?  
Do you carry out marketing planning?  
Is the role of planning clearly understood in the club?  
Do you have a written formal marketing plan?  
What is the form of the plans? (is it limited to numbers/budgeting?)  
What is the time horizon (annual & longer term)?  
When was it last revised?  
Who is involved in developing the plan?  
What does it involve? How long does it take?  
Is there a plan for each product/service/activity?  
Does the Chief executive directors show an active interest in marketing planning?  
Are adequate resources allocated to implement the plan?  
How is the marketing budget set?  
Do you have a contingency plan?  
How are plans evaluated?

## **Information systems**

Who are your customers? What information do you have?

Who in the organisation is responsible for the collection and dissemination of information?

What market research is/has been carried out? (fans - merchandise, membership), corporate, competitors, other clubs, other countries)?

Are market research studies used as inputs to your marketing planning process?

Would an inter-club comparison study assist you in evaluating your performance against an industry norm?

What journals and subscription services are taken?

Which trade and/or professional associations do you belong to?

### **Evaluation/control systems -**

Customer feedback monitoring and evaluation (questionnaire, focus group, mystery shopper, complaints)

What methods of evaluation of effectiveness of total marketing and of individual tools are used ?

Are marketing activities formally evaluated at appropriate intervals in terms of effectiveness and efficiency, (performance & cost) versus plan?

Are financial records in a form that allows for sales/cost analysis?

Are sales, costs and margins reported regularly for each revenue area (monthly, quarterly etc.)? Who compiles these reports? Who receives these reports

Financial Performance

What is % income from commercial & marketing activities?

Sponsorship/advertising

Match day/Event

Retailing/merchandise

Ground utilisation

Ancillary products/services

Are financial records in a form that allows for sales/cost analysis?

### **Staff/Skills**

Do you feel you have enough people in the department to get the job done?

Do you make use of part-time workers, local colleges/Universities? Graduate training?

Experience/qualifications/training

What are requirements for employment (key skills, experience, qualifications)?

Are qualifications seen as important?

Are qualified staff employed at all levels?

Are your employees properly trained to perform their service roles?

Does your club attach high priority to people development and training?

Do you have a training programme? What type of training?

How much do you spend?

Which trade and/or professional associations do you belong to?

Are your employees well motivated to sell your services to prospective clients?

Are you paying market salary rates?

What method of remuneration do you use ?

Do you use commission for sales team?

Do you have appraisals?

Is customer care and sensitivity part of the performance appraisal?

Does the company recognise outstanding employees in internal/external media?

**Style/Shared Values**

Does your club have a CEO who is strongly influential in moulding and promoting business attitudes, values and beliefs?

What is perceived status of marketing function within the club?

How would you describe the culture of the club?

Is the relationship between the marketing department and the top management of the club good?

Does top management do a good job in communicating the club's strategic goals to employees?

Does the club place considerable emphasis on communicating with your employees?

Do you have open communication/information flow throughout the company?

What liaison is there between service staff and marketing?

Does each member of support staff understand the customer-care element in their work (e.g. stewards, ticket staff)

Does everyone in the club understand how their jobs influence client satisfaction?

In your club is marketing seen as everyone's responsibility, not just the marketing department?

Do senior managers encourage/seek suggestions and ideas from employees for serving customers better?

## **Strategy**

### **Physical/Financial Resources**

What investment has been made to the ground and its facilities?

Who do you see as your competition (other sports clubs, Hotels, conference halls)

What are the objectives for your department/function?

Investment - staff, capital, research, promotional spend?

Are formal strategies in place in your club to attract new customers?

Do you devote sufficient resources to marketing to existing clients?

### **Market characteristics**

What do you see as your market radius (fans, corporate?)

What is the size of both the markets?

How have you segmented your markets?

### **Supporters**

Do you see supporters as different from any other consumer? (blind loyalty, captive market) If so how does that affect your strategies?

What do you see as your market radius?

What is the size of the market?

How have you segmented your markets? location, Asian, family, schoolkids, hard-core, floaters, senior citizens, students? direct, indirect?

How do you intend to build closer relationships with your supporters?

Loyalty schemes?

How would you describe the management's relationship with the supporters?

What mechanisms do you have in place to allow for supporters to contribute/have their say? survey, fan forums, letters page/column in programme/magazines, meetings with management?

Are formal strategies in place in your club to attract new customers?

What promotional activities are used for supporters? (Advertising, direct marketing (direct mail, telemarketing), sales promotions)

How much do you spend? how do you evaluate effectiveness?

What investment has been made in database systems?

### **Corporate customers**

What do you see as your market radius?

What is the size of the market?

How have you segmented your market? location, size, industry,

Who are the key decision makers within the companies?

What characteristics characterise your largest/smallest customers?

What promotional activities are used for target audiences? (Advertising, direct marketing, video, sales visits, direct mail, telemarketing, exhibitions, sales promotions).



How do you ensure an integrated communications campaign?  
Is telephone selling seen as appropriate? Are staff trained for telephone selling?  
What investment has been made in database systems?  
How do you intend to build closer relationships with your customers?  
Do you devote sufficient resources to marketing to existing clients?  
Are formal strategies in place in your club to attract new customers?  
Do you devote sufficient resources to marketing to existing clients?  
Do you belong to local industry bodies/professional associations?  
Does the club explicitly manage through relationship marketing? Loyalty schemes?

### **Community relations**

What are the objectives for these activities? (fans, players, philanthropic)  
What does this involve? (FNF, player visits, clinics, free tickets, open days, ground tours?)  
How much is invested in this area?  
Do players and other functions work closely with you?

### **Media relations/PR**

How closely do you work with the local media?  
Is the coverage planned in advance?  
What is the typical weekly content of local paper/radio?  
Do the players/management work closely with you?

### **What are the marketing strategies for the various revenue streams?**

#### **Ticketing/membership**

Capital investment? What is the system? do you offer seating plan? order times?  
Staffing?  
Who sets the prices? Do you have differential pricing for matches? match categories, concessions, freebies?  
Membership - How many members (by segment) what do they get?  
Season tickets- How many? What do they get?  
How actively do you promote season tickets? What media do you use? Do you offer mini-season tickets?

#### **Sponsorship/advertising**

What do you offer for sponsorship (kit, match, match ball, player etc?)  
Who negotiates major sponsorship deal?  
What advertising do you offer (hoardings, concourse, programmes, publications, tickets, wall-charts)  
How do you determine prices? What are they?

#### **Match-day/Event based revenue**

Gate receipts  
Do use pricing to manage demand?  
Do you use promotions to manage demand?  
How actively do you promote season tickets? What media do you use? Do you offer mini-season tickets?

**Publishing**

Are programmes/magazines produced in-house (content, printing)

How do you evaluate quality of publication?

How many do you sell ? Advertising sales?

**Catering**

How would you see the value and quality of your food in relation to competition?

Spend per customer? Customer satisfaction? Where did you finish on Colemans Study?

**Retailing/Merchandise**

What is the production strategy for merchandise?

How many shops? mail order?

Overseas

Sales, profit figures?

Spend per customer?

**Ground Utilisation**

Reserve matches (family night football)

Conference & banqueting

Pitch hire

Restaurant & catering, bar

Ground tours

**Ancillary Products & Services**

Membership Do you offer this?, What do you see it's role?

Publishing

Financial services

Travel service

Match day services - PA TV?radio, scoreboard, entertainment, stewards?

**Industry/League**

Is there adequate sharing of information/best practice? Should the League be more proactive in this area?

What do you think of the general quality of marketing management within professional football?

Are there any clubs that you would say are good at particular aspects of football club marketing?

**Change Management**

What changes have you seen in marketing & commercial depts since you have been here? In the industry?

## **Appendix 6.9 Example of Transcript**

**INTERVIEW WITH CLUB M4 CHIEF EXECUTIVE OFFICER 11/06/1998**

**When did you arrive?**

Almost a year to the day.

**Could you sketch out an organisational chart?**

What we have done effectively is divide the business up into three sections. We have a finance director (finance, administration and football) an operations manager and a brand director (commercial and merchandising) The brand director is a role that we have not got at the moment and I will explain why in a minute. The four of us, although there are only three at the moment, will form the executive team which meet every Monday and go through all the issues in the club.

There are two reasons why we have not got a brand director yet. One we can't afford it and so I am carrying out that role.

I have got a very vertical structure for two reasons. Firstly I want to give people autonomy and responsibility. Everyone has somebody to report into so you can delegate through a vertical structure which I don't think you can in horizontal structure. Also I have created a career path for everybody involved in the club. I think it is essential that within the small club that everybody is looking at succession planning so they do not stagnate. People could move both vertically and horizontally. We don't actually have a commercial department.

**How often would you meet with the chairman?**

I would probably meet with the chairman or speak to the chairman weekly. The board sits quarterly.

**Who deals with advertising and sponsorship?**

I deal with sponsorship because it is a strategic decision. Advertising sales is dealt with by one of our shot managers who works in a quiet shop. The reason for this is that the sales job is only a six-week job and I do not want to employ somebody full-time to do that job and also because the person networks in that shop used to work in the old commercial department which I have broken down completely. The other reason is that on a Tuesday for example at that shop in-laid and we only take £30 so we have spare capacity.

**It is interesting that you have done that there because in publications they have gone outside and had used an agency to sell their advertising space for the programme and publications? Why is that?**

We decided to out source the programme advertising sales because we would have to employ somebody for £10,000 plus all the add-on is such as national insurance and holidays which would be a risk. The agency by working for other clubs are able to benefit from economies of scale. I see that I've also out source our advertising for hoardings because he is working on a commission basis above his salary. I also see the job of selling advertising hoardings as slightly different from selling programme space. The only person I feel that I really need internally is the hospitality salesperson because I need them on match days and it is a role which we are forecasting this year

<p>will bring in £125, 000 to the club.</p> <p><b>So is she responsible for both sales and after sales?</b></p> <p>Yes, she's a one person department.</p>
<p><b>What sort of capacity are you currently running out with regard to corporate hospitality?</b></p> <p>Probably about 50%.</p> <p><b>Do think that she would need any more staff in this department if you got up to 100% capacity?</b></p> <p>No I don't think so. I don't think we will need any more staff generally across-the-board which again comes back to the risk element. This structure is a first division structure and I don't think we'd have to bring that many more people in for a premier league structure. The</p>
<p><b>You have various managers perhaps targeting the same customers how do you ensure that there is not duplication and that you are maximising opportunities in terms of say cross selling?</b></p> <p>Communication is important and I think it is my role twin sure that people are talking to each other and letting each other know what they are doing. It is not a massive organisation and therefore this should be possible. I also think that there is not as much crossover between hospitality and advertising sales as people think. Advertising hoardings are sold within six weeks. I think we are talking about different markets. Programme advertising and woo often target national and regional companies.</p>
<p><b>Where does catering fit in here?</b></p> <p>The restaurant company have a five-year lease with us and pay a fixed rent and a percentage of turnover. We only service them with match days sales and they sell their own functions the other 325 days of the year. So their direct contact will be the hospitality sales manager who will tell them how many sponsorship meals they will need to cater for on top of the season ticket holders.</p> <p>The concourse catering is slightly different. We have set up aged joint venture with a restaurant company and so myself and the finance director work with two of their directors and that forms a company kitchen at the ground.</p> <p><b>Who are the restaurant company accountable to bearing in mind that you are getting a percentage of sales?</b></p> <p>Both myself and a finance director.</p>
<p><b>Who is responsible for pre-match entertainment?</b></p> <p>The community department.</p>
<p><b>How does it work if an individual manager wishes to run some form of advertising or promotion?</b></p>

It will be driven by me. The marketing of the club should be driven by the brand director but in his absence it is driven by me.

**What do you expect from your managers in terms of their plan for the year?**

I expect them to have a clearly defined business plan in terms of what they are looking to achieve. But that the same time we have got a number of new staff. One person has been here six months, one for three months, one for a year and a half, one for nine months, one for a year. So we are talking about a team of people that are going into their first football season as a team. I think that we are still very much in the infancy in terms of the fact that we have a lot of people who can carry out the roles but they have not yet developed the creativity to start planning and deciding how they want to take their departments forward. That is the next stage we want to do because at the moment I am largely spoon feeding people to be honest.

The community is a good example. I was telling Ross what to do and then he would do it. Next year I want him to be a little bit more structured. So we can get 50,000 tickets printed up at a printer rather than using the ticket office. We can then put special offers on the back of the tickets and think a bit more commercially. I also want him to start developing measures of his activities so for example how many people are coming to the matches and how many people they are bringing with them and how much they are spending etc.

I am quite happy with the situation because I did not want people who had preconceived ideas on how it should be done. I had a very picture of what I wanted to achieve at the club from my leisure background and also from being a support of all of my life. I have seen a lot of things that Karen Brady has done very well at Birmingham. She has been very volume driven. I didn't want to inherit a team of people who said this is the way we have always done this, that, and the other.

**What sort of training initiatives do you have at the club, or do you envisage for these people? Either provided by the club or the league?**

Certainly from the clubs point of view. We have performance reviews starting here next Monday. The first question asks them what their review of the last 12 months is? The second question asks them their five targets for next year and the third question asks them what training need do they need to achieve their targets. Our community events manager needs to become more PC literate for example.

**What forum is there within the club for communication with the fans, i.e. market research surveys, fan forums?**

I think we are quite approachable from the fans point of view. Every year we do a questionnaire which we mail out to all the shareholders and season ticket holders. It is fairly in-depth and asked questions about our products and services and other area such as our PR.

**So who designs it?**

I designed it and I actually analysed as we have a lot of people under pressure here. We had 400 replies which was the response rate of 10%. We did not pay the postage so they had to really want to be telling us. It is quite a good sample although it was slightly skewed because it did not include a non-season ticket holders and therefore there was not much representation for under 30 year-olds but it gave us a feel for what we were doing. We printed the results in the programme over two

matches. One of the biggest comments we got back from the supporters was no doubt we will not hear the results of this. We do have at least two or three times a year open evenings which the team manager and myself or the chairman attend. We also attended the independent supporters meeting which was a heated affair. We also like to respond to letters in the proper manner. I would like to think that within the next 12 months we will have a customer care line which will go to the administration manager who supports the club secretary.

We have made the club secretary purely responsible for legislator matters and we have supported him with an administrative\communications assistant. Her role is anything that is external to the club. All press releases are channelled through one person. I would see that communications role as a natural evolution to taking on a customer care line for the supporters. That would take some pressure off me because currently I deal with all the complaints myself. It was a deliberate decision for the first year because I wanted to be seen as someone who was championing the interests of the supporters. Whenever a letter includes a phone number I will ring them up rather than writing.

**Who deals with the database for membership and season ticket holders?**

That is held by publications. But it is a good question really because it could be held in a variety of areas.

**Yes because when I was talking to Ross earlier he said that he had his database.**

I think that one of the biggest voids that we have got at the club is a properly administered database to be honest. If I had one wish of what I wanted to achieve at the club it would be to have a proper in-house database system. I would like to be able for example to target all under 18 year-old is who have been to less than six games in the last two years that live within 10 miles of the stadium. We are lacking that facility at the moment.

**Would you say the same for the corporate clients?**

We are starting that this year. We have got some students designing it. I was a bit cynical at the beginning and I let them do it as a project but what they have come back with is superb and exactly fits the brief of what we required. So the hospitality manager this season will have a full trading history by game and by clients.

**You mention the computer software projects with the local college, what sort of liason do you have with that college or other colleges for placements?**

Yes that comes under Ross in the community. You could almost called him volume manager. I want him to bring both adults, ethnic minorities, students, colleges and juniors to the stadium. Last year we ran a promotion which was £5 for every round of the auto windscreen competition all the way to Wembley. Last year I ran that but this year I will want Ross to run it. So community manager might be a misleading term. Ross is role as I see it is vol.

**Do you have a membership scheme at the club?**

We have got a membership scheme but it is very poor.

**How many members?**

About 2000. At the moment no ready is responsible for it. I do not think we are ready yet to properly operate a database and membership scheme. We are doing things in stages. If I tried to achieve everything overnight the wheels would fall off everything. At some point we need to invest in the right systems to put a proper database in. I don't think yet we are quite sure how we are going to use the database.

**Do you have pre-match entertainment?**

No. I am quite cynical at the moment about pre-match entertainment. I don't believe people particularly want it. I've been to Blackburn where they have their family sunlight but I don't believe it does anything, I don't think people are interested in it. We get twice the crowd that backbone get for their reserve games and we don't put on any entertainment. We had 10,000 come and watch the Manchester United game.

**Are you in the Premier division?**

Yes. Our average gates were 2,500 last year. But I think that we can get that up to about 4,000 because we only promoted the reserve matches after the first four games. Before we promoted the matches we were only getting 200 to 300 to supporters. When we promoted the reserves we were getting 2000 every game.

**You have set up structures at the club which give people responsibility and accountability. Do you feel that you have the right Information Systems to provide you with the management information that allows you to evaluate how each of the managers are performing?**

I think it is reasonable. I think we have got better financial reports and we have got written reports to be honest. Ross was somebody who sent me a monthly report which was reams and reams of pages. But I just do not have the time to read them and I have told him that. Now we have six months or so behind us things like reports and strategies and marketing plans, we have got to start moving people towards that.

**Was that not in place where new arrived?**

No.

**What did you find where new arrived?**

Nothing at all.

**What was the set up when you arrived?**

Chaos.

**This is surprising given the club was taken over in 1994.**

I think at this level what I found that at board level was a complete strategic focus on what they wanted to achieve. Their plan has scarcely changed at all at board level. Operationally it was



chaos. I virtually gutted the club in 12 months. There are very few people here now that were here when I arrived. I sacked the club secretary, the assistant club secretary, the ticket manager, all the ticket office staff, all the commercial staff, the commercial manager, the marketing manager. We gutted the club. I wouldn't want to say that everything is perfect, we are long way from that, but I believe that I have got the infrastructure now to make things perfect. We have had a year of massive change, possibly a bit too much change in hindsight too quickly. I think all the changes are right and that we have brought the right team of people in but maybe I should have attacked one area at a time instead of attacking the whole club. However we have all been to hell and back and have put the building blocks in place and by the end of next season I think we will have one of the most effective and focused management teams in football. But at the moment we have got a lot of very naive and inexperienced people and they do have to be spoon fared to some degree.

**Is that because you just did not have the money to employ people who had a bit of experience?**

I think it is a combination of factors. I wanted to give people within the club opportunities wherever possible. So for example the current ticket manager used to be a ticket supervisor. I felt that we had a lot of committed and dedicated people who were in the wrong jobs. We had somebody who was an assistant to the assistant club secretary who is now working in one of the club shops. We also recruited from outside. With Ross are employed somebody that experience with a school environment but needed improvement in other areas such as marketing. We were driven a little bit by a need to move quickly and perhaps with hindsight we could have had a slightly more focused recruitment campaign for one or two of the positions. But I want people who are going to give one hundred and 10% commitment. Our holiday season finishes in June but I don't think there is one member of staff that has taken even 75% of their holiday entitlement.

**Yes the enthusiasm and commitment really comes through just from the interviews that I have had this morning.**

**I see that the ticket office is under control of the finance director. What role do you see the ticket office playing here at the club?**

It just sells tickets to be honest. During the season ticket sales we have a daily print out. The ticket office manager and now actually reports into the finance manager. This is really because we want to develop a career path of the finance manager and give him all responsibility. The ticket office is not to promote.

**The three of us that run the club at really know everything that is going on in the club.**

**How are the budgets allocated for the various managers, say for promotions budgets?**

We have detailed management accounts. All purchase orders are signed off by one of the executive team. They are coded and allocated to each department. Once a month for half a day with no through detailed management accounts.

Budget wise I have changed at to be fare. Some people will say for the better and some people want. Last year the finance director asked each department head to propose their budget. I have always worked at first leisure where people were told what their budgets were. So we have reversed that this year and the budgets have been set by just three of us. No one else had any involvement. It is not a big task to do a budget at a football club, it is not big business, it takes about a fortnight to do. For example corporate hospitality will bring in £125, 000.

**The chap at the shop who is on a commission for selling advertising space around the ground. What is he selling?**

The concourse billboards and everything he can stick a sign on and the sell. It is amazing how many new things he has found to sell since I put him on commission.

**Do you feel that at present that you have another time to do everything bearing in mind you do not have a brand\marketing director?**

I think I can do this for one more season but I then think it will need supporting to move it forward. At the moment I'm happy to have a straight line into the commercial activities so I can set up the systems and strategies that I want people to take. Once I have set them up I have not got time to run them as well and I am going to need someone who can work individually with these managers and perhaps find tuning and stamping their own personality on the job but giving the managers regular feedback. Until last week the ethnic development officer reported directly to many because that is what the local authority wanted. But I have found that I cannot give the guy any time so I moved him under Ross. Eventually we need to fill the brand director role which I did have pencilled in for Steve but he moved away which is a shame. Steve currently operates as a consultant. Steve likes the design side but does not like the operational side.

**I understand that Steve is getting involved in the branding across the departments.**

Yes I see the direct to role as 75% a brand role and 25% a management role.

**Before you came there was no CEO?**

No. There was just a finance director and a commercial manager. Before I came everybody reported into the chairman so we had a horizontal structure. The chairman actually has a full-time job as chief executive at the parent company.

**So there was nobody actually monitoring and controlling it?**

Nobody monitored anybody. They sort of reported into the finance director but I think he would be the first to admit that he wasn't able to manage each area of the business. So for example we would have a ground safety officer and the stadium manager. The stadium manager would be going round deciding what he wanted to paint and what he wanted to repair and what he wanted to spend with absolutely no control at all. He had no career direction, he had no control and no supervision and no accountability. So what I tried to do was start grouping people together at naturally fell together and then created a structure where people have seniority. But it took some selling in because you had a situation where for example the stadium manager never reported into anybody. He was now suddenly reporting into somebody who he did not perceive to be senior to him and did not share the same views. So I had to sell them the personal benefits of accountability and reporting into somebody.

**What is your background at first leisure and why do you think they appointed you?**

I did a variety of things over nine years. I started as a trainee, I worked a few years on operations and I worked a couple of years at head office on a licensing project. I spent a couple of years at business development which involved product development through to site opening.

**From talking to you your outlook seems very much commercially driven or marketing driven as opposed to finance driven?**

I'm surprised you say that.

**You talk about driving volume and initiatives?**

I would see my main strength as finance. First leisure is a very finance based company. I find certain elements of marketing and promotions quite difficult to be honest. I am useless at sales but I do understand the importance of creating an atmosphere. Basically because I look at it as a supporter. In an interview with the club fanzine, they asked me why I did not do any half-time match entertainment and I said that all people want is a pee a pie and a pint because that's what I always wanted out of football.

**What other type market research do you do apart from your questionnaire to the season ticket holders because you have a lot of product?**

I think in a football club people tell you what they think. It is the easiest business various to market research because you have got ten thousand people all who have an opinion and most of them want to express it. These days on a match day I cannot get from one end of the ground to the other without being stopped at least 20 all 30 times by somebody who has got an opinion on something. You get permanent feedback all the time.

I don't know if there is a more scientific way we could go out and research.

**What would you see as your market here?**

I think we are and unique club because of the history and tradition. We won the first ever league and we won the double in the first ever season of the competition. We have got a very strong brand name and I think the area is being revitalised as a town as well. We have a big catchment area. The town has 140,000 and the urban areas have 80,000 to 100,000.

**Is that the area you target for schools and corporate clients?**

The work to about a 30 minute drive time.

**What sort of corporate clients do you attract?**

We tend to attract wealthy entrepreneurs who have a passion or affinity for the club. We tend to attract haulage company's and building firms. Again I think it comes back to the role of the brand director and I think we do need to start with focusing a bit and putting a platform in place where we can start attracting national corporate companies. The local shopping centre is owned by legal & General and we are hoping to get them as a stand sponsor and build up those associations.

At the moment I deal with the strategic sponsorship but I would see that as a responsibility of the brand director. My vision of the club as a premier league club is that we would probably only have 6 major sponsors. At Old Trafford you only see about 10 sponsors at the club. I think we have to

go in that direction.
<b>How does the advertising sales executive get his contacts?</b>
Most of it is renewals to be honest.
<b>You mentioned you have dropped the brochure mail shots. Do you do the anything else apart from telesales and your sponsorship evenings?</b>
We do the traditional links with the chamber of commerce and then do the occasional business lunch and networking.
<b>Whose responsibility is business development in terms of looking for new markets or products and services.</b>
I think that if we had the brand director there then there would be a lot more scope for me to do that sort of thing. I think it is an area that is under exploited at the moment. There are a number of new issues and initiatives that need to be looked at. For example we are bringing in Ladbroke's for the first time next year with betting kiosks and we have agreed a deal with Halifax for a ATM to come on the site next the ticket office and the club shop. Things like that are very ad hoc at the moment.
<b>Who takes responsibility for the credit card?</b>
The finance director.
<b>What sort of customer care training do the stewards get?</b>
The stewarding is quite phenomenal really. It is the one area that we really have got right. We have only aborted in-house for a year and it was the operations manager who used to be the stadium manager who is project it was to bring it in-house. We have invested heavily in training and in terms of customer care we have had a number of letters complementing our stewards.
<b>What was that done primarily?</b>
It was mainly a cost issue but obviously we saw opportunity to improve the quality. The operations manager is an ex-detective Superintendent.
<b>What was the decision to use an external catering establishment instead of doing the catering internally?</b>
The decision was partly financial but also the decision to align quality brands with the club. Quality catering is a specialist market. Very few clubs can offer the quality of food that we do. First leisure were all for at food whenever they did it in-house it was a disaster.
<b>Do your published accounts include the revenue from the rugby team?</b>
Yes. This year it will turn over £280,000 and lose about £120,000.
<b>What sort of crowds do you get for that?</b>
Last season it was 280 and this year we have got it up to 920. We have appointed a coach which has left the team manager time to target the schools and the community. We are following the Bradford bulls and Saracens model and targeting the community and schools and swapping the community with player appearances, free coaching and free tickets.
<b>What season ticket sales do you normally get?</b>

Last year we sold for thousand season tickets on an average gate of 9, 500.

**Do you see any other ways of increasing crowd levels assuming that the club do not improve?**

I would be interested in knowing if there were ways. Going back to my own experience Birmingham city did a kid for a quid and there was a riot because people had bought their kids season tickets. Blackburn this year did a Christmas promotion of discounted season tickets which completely devalued the season ticket product. I'm convinced that they will lose some of a renewal is because of this promotion.

**Do you not see potential for giving away discounted or free tickets for some of the low attendance games?**

We did what Birmingham did in the auto wind shield trophy and reduced tickets to five pounds but I was disappointed with the response we got. We promoted the auto windscreen as the supporters cup. One other reasons we did this promotion was because we did not want to affect the Saturday attendance in addition to the fact that it adds perceived value for money. We wanted to bring in the new market. The problem with discounting first-team matches is that you're not going to sell season tickets. Somebody suggested in the supporters forum that we should let the kids in the free for the last six games to get a better atmosphere but people within the room were against this because they had bought season tickets for their kids. You can't devalued the season tickets. I'd love to think there was away that you could run a promotion that did not alienate season ticket holders. I would love to know if there are ready promotions on your travels.

**What are the resources of the publicity manager who is the assistant to the club secretary and how proactively is she in promoting all the various departments activities within the business?**

That is a good point. I think it is something that we could expand on and improve on. I think at the moment the assistant club secretary is reactive rather than proactive. I think she needs to drive things forward a bit more.

**Who is responsible for driving season ticket sales in terms of promotion?**

It is really the executive team that make the decisions.

**But who is responsible for making sure publicity goes out and mail shots go out?**

Finance. It might sound a bit strange but under the current organisational structure the ticket office is an administrative function. In a business of this nature and size we can't afford and wouldn't want a finance director who basically spends all of his time networking with banks and looking at loans and grants etc. the finance director needs to be a strategic accountant and take responsibility for running certain areas of the club. There are not many businesses where the finance manager would run a ticket office and a football manager. But hopefully it is part of his personal development and growth as well. Hopefully by carrying out these roles such as championing the youth development scheme he is finding his job more fulfilling.

**Is the ethnic development officer initiative working? The taxi driver tells me that 50% of the population are Asian. Are they coming to the ground?**

I think they are in their infancy the guy only started in January. The first issue was to break down

barriers within the community. Stage one is that it is important that we are seen as non-racist and approachable. We have achieved stage one. Stage two is to get people involved in attending matches and coaching. His wages are finance by the re generation bid. It is a role that a large number of clubs would love to have but no club including our own would have sought to finance themselves. We would never have paid £15,000 to finance and ethnic officer.

**Why do you think that that would be the attitude when 50% of your target market is Asian? Because it's a long-term strategy?**

Yes. It is always a difficult balance between being a PLC and achieving short term profit and looking for long term returns on development particularly when we are high-risk industry.

**What is your view of marketing and commercial activities and management in and around your division and who do you see as role models within professional football?**

We probably haven't got enough information to be honest. I think it is probably another area where we could explore more considerably. Where we have wanted to know specific things we have tended to go to the people who do it the best. For instance with the lottery we went to Manchester United and asked them how they did it. We also had a thorough look at Manchester United in terms of their merchandising. I was a bit disappointed with their merchandising and thought the quality of the products were poor. I thought the club shop was a bit like Blackpool pleasure beach and a bit tacky. Steve has obviously done a bit more research in this area.

**Yes Steve has mentioned that perhaps the league could be a bit more proactive in this area?**

I believe that they should be a central database of information. When I worked in the nightclub area we had a benchmarking service which was called a Pepsi barometer. The guy that did that is looking to develop a proposal for football. Because of the success of the nightclub benchmarking system they have set up their own company called barometers for business. They have got all the software and the database packages and they make their money from getting it sponsored. Broadly speaking there is very little information that is commercially sensitive. Initially first leisure refuse to get involved in the scheme but after a couple of months they realised how valuable the information was. For example we have brought our chaos catering in-house and we have put a budget together for next year but we have not based our assumptions on any hard data. If we knew what the average spend per head of catering at clubs in the north-west of England was our budget would be more accurate. It would be very useful to see what advertising hoarding prices, programme advertising prices etc. were at other clubs. We are not competing with each other. If we had that for football it would be a massive the step forward.

**Yes Nationwide would be an ideal sponsor for that as it is in their interest that every club improves the commercial activities.**

**What sort of sales is the fanzine that you are looking to bring in-house getting currently?**

1500 per month. I already know what the front cover is going to be and I know that the reaction from a couple of directors is going to be horror when they see it but I can do things from the club point of view which I know is right for the supporters but say, hang on we have got no editorial control and that's why it has got in there.

## **Appendix 6.10 Example of Analysis Matrix**

## LARGE CLUBS

	L1	L2	L3	L4	L5
ORGANISATIONAL STRUCTURE	<p>Had an organisational chart.</p> <p>Large organisation. Has a number of departments working under operations director. These are serviced by Legal, Accounts, I.T. &amp; personnel departments.</p> <p>CEO responsible for running all areas of club, playing and non-playing.</p> <p>Catering is delivered by external operator.</p> <p>Marketing &amp; commercial split into 4 key areas; Ticket office, Business, Branded products, promotions. All departments are serviced by sales executive and database officer. All departments go through branded products for communications/advertising campaigns (creative and media buying).</p> <p>Marketing director says some of the smaller clubs are in a time warp where ticketing comes under club secretary and secretary has too much power Q1</p>	<p>Had an organisational chart although only listed responsibilities.</p> <p>Very flat structure.</p> <p>Marketing/commercial dept is one of 8 functional areas. Is responsible for all non-gate revenue.</p> <p>Marketing/Commercial split into 4 depts: promotions, marketing, commercial, merchandising.</p> <p>Catering (delivery), ticketing, Community and publicity (team) depts are not part of marketing/commercial dept and report to their own directors.</p> <p>Publicity manager reports to same director as commercial.</p> <p>Catering dept delivers and commercial dept markets their activities.</p>	<p>No organisational chart.</p> <p>Structured into 4 key areas reporting to CEO. CEO responsible for running all areas of club, playing and non-playing.</p> <p>Team affairs, Operations, Finance &amp; Admin, Business Operations.</p> <p>Ticket office separate from business operations because of so many season ticket sales therefore ticketing is predominantly an admin job. All other commercial activities come under Business Operations General Manager.</p> <p>Do not currently have personnel officer (150 staff, 70 non-playing)</p> <p>Team manager has whole football structure under him. Looking to move youth development away from his control.</p> <p>Business operations split into Commercial, Catering, Public Relations, Commercial and catering are revenue generators.</p>	<p>Had an organisational chart.</p> <p>Director of Marketing appointed in 91 to 1.</p> <p>2. Grow off-field business</p> <p>3. Give club higher profile in community</p> <p>Raise funding for new stand.</p> <p>New directors realised club was going nowhere with existing staff.</p> <p>Old set up was commercial manager who looked after advertising &amp; sponsorship. Also responsible for club shop, match-day catering and lottery.</p> <p>Had a manager for each activity reporting to him. Catering manager was a full-time employee doing a part-time job.</p> <p>There was no proper management structure Q1. Has set up structure with career paths. Commercial is split into key business areas; direct sales, C&amp;B and operations. These areas are serviced by Communications &amp; marketing, Accounts and HRM.</p> <p>MD plans to eventually set up each business area as separate subsidiary businesses to the PLC which have the football club as their main customer.</p>	<p>Had an organisational chart.</p> <p>Restructured last year after appointment of MD. Before there was a flat horizontal structure with too many people reporting into Chairman who was not there on a day-to-day basis. MD wants to spend most time concentrating on playing side (70% of costs) so has restructured and delegated.</p> <p>4 functions; Commercial, Finance &amp; Admin, Football and Community.</p> <p>Feels there is a gap for a personnel manager.</p> <p>Looking to make youth development as a separate entity away from team manager.</p> <p>Previously there was a commercial director who coordinated all commercial activities and had 8 managers reporting to him. After he left the MD Split commercial into corporate sales and consumer sales.</p>



RESPONSIBILITIES				between head of commercial activities (MD) and team manager. MD believes that team managers are used to being in the driving seat and feel threatened. MD believes European model is best where technical director is bridge between the board and the coach.	
Communications department is separate from marketing & commercial dept and has a strategic PR role for playing and non-playing activities. Communications director is p/t and has a press officer and a personal assistant. Will liaise with branded products director.	Promotions dept sells to supporters e.g. lottery, travel and stadium tours.	Community officer looks after club mascot and junior membership and ground tours.	All corporate sales comes under the Direct Sales umbrella. All advertising is responsibility of one person. All sponsorship is responsibility of another person etc.	MD gets involved in strategic PR initiatives and activities.	Corporate commercial dept has corporate sales, communications and R & D.
Just appointed a sales executive who will service various departments when needed either for business or consumer initiatives.	Marketing dept (oddy named) sells to businesses e.g. hospitality, advertising, match sponsorship.	Catering manager and assistant markets facilities for non-matchday themselves. Perhaps lacking someone with sales experience.	Business development looks at all new business opportunities, develops feasibility plans and trials them before passing on to relevant managers e.g. beam-back, licensing, radio station.	Communications manager looks after publications (editor, DTP and graphic designer) and media services. This function is predominately aimed at consumer but MD wanted even split of workload between his two managers.	Communications manager looks after publications (editor, DTP and graphic designer) and media services. This function is predominately aimed at consumer but MD wanted even split of workload between his two managers.
Commercial gets sponsorship for community dept and markets their activities.	Commercial dept looks after kit, stand, club sponsors. Also looks after marketing communications and research for other depts. Also looks after publications, internet and membership. Big department with many responsibilities yet only 3 staff! Q5	Public relations is responsible for; producing publications (programme, books), publicity (football & non-football), community visits & coaching, Club media (TV & radio). No internet site at time of visit. Head of Business Operations gets involved in strategic PR initiatives and activities.	C&B department do servicing and delivery Are also responsible for selling non-match restaurant.	R & D manager looks at new business opportunities. He is currently looking at Radio/TV channel. He will put a plan together and once it is up and running will pass on to other managers.	R & D manager looks at new business opportunities. He is currently looking at Radio/TV channel. He will put a plan together and once it is up and running will pass on to other managers.
Advertising/promotions literature are organised by each department and they make use of external agencies.	Commercial gets sponsorship for community dept and markets their activities.	Operations gets involved in strategic PR initiatives and activities.	Communications department services various business & revenue areas with marketing, design and PR. Team manager has his own PR manager.	Marketing services do promotional, direct marketing & publicity work and market research for all departments. They look after corporate & consumer database.	Consumer commercial manager has retail, consumer sales, health club.
Design/print house do	Design/print house do	Design/print house do	Design/print house do	Design/print house do	Design/print house do
Ticketing was taken from club secretary	Ticketing was taken from club secretary	Ticketing was taken from club secretary	Ticketing was taken from club secretary	Ticketing was taken from club secretary	Ticketing was taken from club secretary

REPORTING SYSTEMS				<p>and publications and also do work for outside clients.</p> <p>Publishing department deal with all club produced media (internet, programme, video, magazines, books).</p> <p>Community department is responsible for various revenue streams; junior membership, FNF, ground tours, parties and mascot. Club have 5 full-time members plus PFA community officers.</p> <p>Ticket office look after membership administration and work with community office on junior membership.</p> <p>Club looking to create positions for licensing specialist and events manager.</p>	<p>years ago. Commercial manager argues that it should be a marketing operation Q3</p> <p>At present people use own external designers and printers. Also organise their own publicity.</p>
	<p>Commercial manager responsible for all four depts. Joined in 1995 set up structure and reporting systems, before there were none Q1</p> <p>Club's departmental managers report to assigned Board Directors. No CEO.</p> <p>Commercial manager feels that the club structure is too fragmented with individual depts reporting to individual non-executive directors.</p>	<p>All marketing and commercial activities report into Business operations manager who reports to Chief Executive.</p>	<p>Marketing Director set up a management structure with reporting systems to ensure accountability. Q2</p> <p>Each function has a general manager who reports into the Marketing Director who reports into the MD.</p>	<p>Both corporate and consumer commercial managers have 3 managers reporting to them. They in turn report to MD.</p> <p>Catering is provided by external company. Catering manager now reports to corporate commercial manager. Have monthly meetings.</p>	

Q2/3.				
CO-ORDINATION MECHANISMS	Open plan offices All commercial function are on same wing. Commercial dept in another building.	Marketing all above club shop in open plan offices. Physically separated from other depts. No intranet.	Have an executive meeting every week with CEO and department heads.	MD has formalised meeting procedures making sure there is interdepartmental cooperation Q1
	No intranet. Internal newsletter now produced for employees.	Commercial manager acts as co-ordinator for marketing/commercial dept.	Marketing and commercial department work closely with ticketing and produce all communications literature. Set up working parties to develop marketing plan for cup games.	After every match there is a post match brief on the Monday morning involving all areas of the club.
	Executive meeting every week with marketing, legal, finance, stadium, PR and club secretary. This is followed by a meeting with marketing departmental members.	Weekly management meetings within marketing/commercial dept.	CEO has office at ground and training facility which he visits daily.	Have monthly management meetings. Community manager is incorporated into the structure.
	All club departments meet every 6 weeks.	Minutes of meetings put on noticeboards.		Have a sales & marketing group made up of reps from all areas. Fortnightly meetings chaired by corporate commercial manager. They do matchday entertainment etc. things that involve different areas. Aim is to maximise corporate and consumer cooperation. Example of this Cine-World Q4
	All departments informed if there is to be a mail out to anybody e.g. season ticket members.	Fortnightly meetings with club's dept heads. However departments not always swimming in same direction.		New business ideas must be brought to sales & marketing meetings. Committees will then be set up to take them forward.
	Director of Marketing & Commercial is internal line manager for community activities although meetings are only held every 2/3 months. Marketing director has been proactive in helping get sponsorship deals for community initiatives.	Community dept. not proactive in marketing other club activities. Co-operation with commercial dept. could be better.		
PLAYER CO-OPERATION	Friction between the footballing side and non footballing side. Extent of support depends on manager.	Contact team captain for player appearances. He has a rota.	Football PR officer has office facility at training ground. She makes sure players attend community visits. She is the coordinating link between the players and the PR department.	FA contract states "the player agrees to make himself available for community and public relations involvement as requested by the club management at reasonable times during the period of the contract e.g. two to three hours per week."
	Community officer not impressed with player support Q1. Says it is a national problem that has got dramatically	Support depends on team manager. Walter Smith very good. Howard Kendall not so supportive, did not think it was part of their job. Some players	Community office work with playing PR manager to arrange player support. Club have a rota system. Generally support from players is very good.	

	<p>years.</p> <p>Have to request player support through press officer. There is no rota system here which makes things difficult. Have problems with agents. Players say speak to my agent.</p> <p>Once promoted player appearance for coaching session and ended up with egg on his face!</p>	<p>Used to have a meet the players lunch every fortnight. Would be difficult to set up now.</p> <p>Reserve team/family night football moved away from stadium at managers request to keep the pitch in good condition.</p>	<p>obligations with personal sponsors and the club sponsors' requirements.</p>	<p>Cooperation has not been good in past Q2</p> <p>Relationship with playing side more structured since arrival of MD. Use a PR consultant who is a club Director who does player appearances. Had a meeting with team manager and PR consultant who does all player appearances.</p> <p>Rota system organised.</p> <p>Any players not playing must be available to corporate sales manager 45 mins before the game.</p>
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ORGANISATIONAL STRUCTURE	M1	M2	M3	M4	M5
	Had an organisational chart.	Had an organisational chart.	No organisational chart.	No organisational chart.	Organisational chart provided.
	MD says that ideally he would have a number 2 (operations manager) who could look after some of the activities. Says that they could justify the expense if they stay in the Premiership. Current structure too big for MD to run and for people to report through.	Before Director of marketing and sales appointed managers would report into the chairman or club secretary.  Publications/Communications is dispersed through the departments. Sales & promotions dept organises the programme. Business development does the membership magazine.  Chairman's personal assistant does the PR and works closely with Marketing Director and Team manager.  Chairman is proactive in PR issues for the club. PR assistant also looks after internet.  Appears a need for a publications function.  Business development is responsible for consumer promotions and lotteries and membership.  Looking to appoint a sales specialist who will sell for various depts.  Some in-house: corporate catering, merchandise.  Some out-house: kiosk catering, call handling/ticket booking, programme, brochure, internet and match day	No organisational chart.  3 years ago they had the traditional commercial manager and an admin assistant, finger in every pie, master of none:Q1  Each non-exec director responsible for particular area of the business e.g. commercial, finance, stadium. Chairman responsible for commercial.  Chairman appointed a sales manager from within club. Aimed at sponsorship and advertising sales.  Chairman is now acting chief executive although last 18 months he has been abroad so no CEO in situ.  General manager does not really play a coordinating and directing role for commercial activities. Former football club secretary. Just looks after admin, ticket office and external stakeholders and suppliers e.g. stadia kiosk franchisers, local govt, PFA etc.  Sales manager says clubs not sure whether in-house or out-house catering is best option Q2	No organisational chart.  Before CEO appointed 1.5 years ago there was a horizontal structure with everyone reporting into chairman (non-exec). Club secretary had a lot of influence. Commercial manager and assistant ran commercial activities.  Previously staff had no career direction, control, supervision or accountability Q1  Everyone sacked. CEO has set up a vertical structure and has tried to group activities. Three areas: commercial, operations and finance/admin.  Wants to give people autonomy and responsibility. Vertical structure allows delegation. Have created a career path for everyone. They can move vertically or horizontally.  Marketing and commercial split into community, retail, hospitality, publications and lottery. Finance Director runs football side, ticketing and admin. Operations deals with security, stadium etc.  Club secretary now is part-time and unpaid.  Catering is contracted out on lease to Heathcotes	Team manager just coaches, chairman deals with negotiations of players. Youth structure currently under remit of team manager although club looking to end this.  Business side of club organised by CEO around four areas; accounts, PR, sales & marketing, stadium.  Sales & marketing has been split into retail (supporter) and corporate.  Use retail to describe all supporter based sales and marketing.  Activities are organised around retail or corporate except for conference and banqueting/catering which deals with both.  Got rid of the club secretary who was classic stereotype 'master of everything, specialist of none' and replaced with administrator.  Appointed a full-time PR manager.  Employed many staff who were not football fans.

RESPONSIBILITIES	Communications manager is responsible for all communications, programmes, videos, magazines, internet and publicity/PR.  Community development manager is employed by club and he co-ordinates all community activities which are funded from various external sources. They also look after junior membership (used to be volunteers), supporters clubs, mascot and pre-match entertainment.  Business development manager is a new post that looks at new product and service opportunities for the club. Role is to draw up feasibility study and plan for new business and when set up and running feed into operations area. Q4  At present conference & banqueting market non-matchday themselves (not very effectively). MD wants a situation where corporate sales do the selling and conference and banqueting service.	Director of sales and marketing gets involved with selling major sponsors and negotiating any new business	Non matchday utilisation not pushed very well. Catering manager not really a marketer.  Media department deals with programme, internet and uses spare capacity for external DTP work. Also looks after creative aspect of all external communications to ensure consistency.  General manager looks after ticketing administration.  Player publicity organised by team manager. Club publicity run by marketing and promotions manager.  Marketing and promotions manager looks after promotions run by sponsors/advertisers. Looks after Lottery, club-call and bond membership. Also is responsible for after advertising, promoting the club's activities via media. Also looks after pre-match entertainment and mascot.  Membership is looked after by volunteers. Marketing manager thinks this is wrong.	Community Events manager is responsible for marketing to community and younger audience.  Community officer and ethnic officer report into him. Community officer responsible for ticket drives to young and any match-day entertainment. Also responsible for getting his own sponsorship.  Publications manager responsible for all forms of media communication (internet, programme, call line, books, videos). Also acts as guardian of brand image for all promotional literature.  Hospitality manager deals with hospitality sales.  Programme advertising is contracted out. Match-day advertising carried out in 6 week period by club shop manager when quiet.  Retail is designed in-house and used own brand. Have a brand consultant working with them. He also acts as brand guardian for club.  Football publicity is dealt by team managers secretary and non-football publicity is dealt by assistant to club secretary.  Credit card responsibility is with	PR manager is responsible for team and club PR and programme.  Corporate sales manager is responsible for advertising, sponsorship, hospitality sales. Has a co-ordinator.  Retail co-ordinator looks after junior membership, works with community on initiatives.  Retail sales is responsible for ticket sales and merchandising. See ticketing as a key marketing function in terms of data capture and communication channel Q1.  Conference and banqueting manager is responsible for delivery.  Match-entertainment comes under marketing responsibility but will move over to PR manager.
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REPORTING SYSTEMS	At present individual managers report to MD. MD says that they need someone like Leicester where there is an operations manager who makes sure targets are met, regular meetings and budgets are monitored.Q3		<p>Confusing reporting systems. Chairman is sales oriented and wants to act as CEO when there for all revenue generating areas. General manager administrative driven.</p> <p>Sales manager and retail manager report to the chairman.</p> <p>Promotions &amp; marketing manager report to General manager. Budgets and plans are agreed with finance director.</p> <p>Marketing manager has to also produce financial reports for financial director and PR reports for chairman!</p> <p>PA announcer doesn't appear to report to anyone. Insists on playing the Worzels!</p>	CEO currently operating as marketing director. All commercial activities are reported into him. Is spread quite thinly. Have not appointed marketing/brand director due to cost. Will look to appoint.	Team manager reports to chairman who is non-exec director.	Sales & marketing coordinator reports to CEO.	
CO-ORDINATION MECHANISMS	Have a managers meeting every week. Ideally managers report back to troops and implement but this does not always happen because there is no-one to monitor tactical side of operations.Q5	<p>Monthly commercial meetings with respective commercial managers.</p> <p>Each manager has a promotional budget. All brochures must be standard format and must go through marketing and sales director.</p> <p>Director of Sales &amp; Marketing plays a key role in ensuring co-ordination and co-operation between departments. Q1</p>	<p>Management meeting every week, now to be chaired by the CEO/Chairman. Community officer included in these meetings.</p> <p>Other meetings not really formalised. Looking to set up weekly meetings between corporate sales and marketing &amp; promotions dept.</p>	<p>Previously there were regular meetings with departments but no relationship. Slanging matches. Q2</p> <p>Weekly management meetings have been replaced by monthly meetings. Some concern from certain managers.</p> <p>Offices located around ground and outside the ground.</p> <p>Are just setting up mechanisms to co-ordinate the design on</p>	Offices all together in one block under the stand.	Sales and marketing have a fortnightly team meeting. Q2 Aim is to ensure everyone is aware of each other's objectives and is a forum for brainstorming and reporting on progress.	Previous structure did not have a head of sales and marketing which led to little co-ordination and co-operation. Natural link

				Marketing and publications department.	Head of marketing has a managing and co-ordinating role.
<p><b>PLAYER CO-OPERATION</b></p>	<p>Not perfect but new MD has improved things. Explained to the team manager the importance of commercial revenues to transfer funding. Now ask the manager to explain this to the players. Q6 Now have a rota.</p> <p>Manager wore sweatshirt the other week that the club do not sell!</p> <p>Commercial manager asked manager to rotate the shirts he wears on the touchline every week to generate sales.</p> <p>Logistical split between commercial/admin and playing does not help problem. Q7</p>	<p>Depends on the team manager. Have a manager that believes it is important to make appearances and that belief comes from Chairman. Q1</p> <p>Marketing director not sure if player appearances are in their contracts.</p> <p>Have appointed an ex player who is to provide go between playing and non playing and set up appearances. Community dept produce a chart of player appearances.</p> <p>Director of marketing Mentioned example where players were warming up in different coloured shirts not consistent with shop merchandise.</p>	<p>Amount of co-operation depends on individual team manager</p> <p>Current team manager very good, works well with marketing manager and is a good public speaker.</p> <p>Previous manager Joe Jordan not helpful at all.</p>	<p>Previous team manager very proactive. When he left many of the initiatives went with him. Team manager's responsibilities now on coaching only and publicity.</p> <p>Community manager looking for 8 hrs per month from players. Needs to be put to the manager.</p> <p>Club has problems getting players to co-operate in marketing/community activities.</p> <p>New manager is much more receptive (younger and just does coaching)</p> <p>CEO admires watford's team manager graham taylor who gets 90 player appearances per month.</p> <p>CEO not aware of contract detail and wants contracts to have appearances written in (they already are!)</p>	<p>Team manager very good. Has been on the clubs management training course and is aware of importance of player support.</p> <p>Team manager and marketing coordinator had a management meeting on how to promote the themed bar over World Cup in summer.</p> <p>Last christmas players 'invited' to junior members disco. Ten turned up. Q1</p> <p>Team manager is an important role model Q2</p>

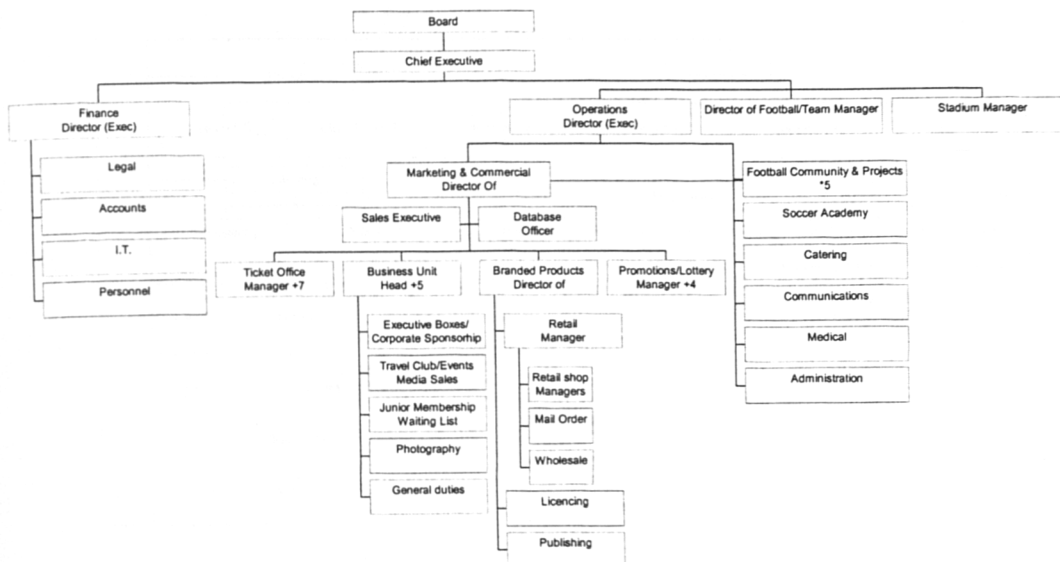


	S1	S2	S3	S4	
ORGANISATIONAL STRUCTURE	<p>No organisational chart.</p> <p>Non-profit organisation owned by guarantee. Directors are £1 shareholders.</p> <p>Four managers running the club. Sales &amp; marketing, finance, C&amp;B manager, club secretary.</p> <p>No CEO.</p>	<p>No organisational chart.</p> <p>Business activities organised around 5 areas; stadium, secretarial, marketing, finance, ticket office.</p> <p>Chairman plays the role of CEO.</p> <p>Community operates outside other club activities.</p>	<p>No organisational chart.</p> <p>Club organised around four major areas; finance &amp; admin, commercial, stadium, and football.</p> <p>Structure is very messy in terms of responsibilities. Q1</p>	<p>No organisational chart.</p> <p>Business side of club split into four areas; ticket office/club shop, admin, commercial, community.</p>	
RESPONSIBILITIES	<p>Press officer deals with team PR.</p> <p>Sales &amp; Marketing manager deals with club PR. Also responsible for corporate sales and merchandise. Also acts as marketing and promotions 'consultant' for club revenue generating initiatives.</p> <p>Promotions manager deals with lottery and betting.</p> <p>All catering delivered in-house. C&amp;B manager markets/promotes non match-day hospitality &amp; catering.</p> <p>Financial controller oversees ticket sales and operations. Is also responsible for accounts, personnel and support functions.</p> <p>Community officer reports to a director.</p> <p>Team manager reports to Chairman and handles player</p>	<p>Marketing manager and assistant looks after corporate sales, catering &amp; hospitality and club shop. Overworked and has little time for other activities e.g. research, membership, community etc.</p> <p>Catering is in-house.</p> <p>No publications. Have contracted out programme.</p> <p>Company secretary helps out in hospitality on matchday.</p> <p>Team PR dealt by team manager.</p> <p>Community officer looks after junior membership and mascot.</p>	<p>Commercial manager is responsible for corporate sales, hospitality, catering and club shop.</p> <p>No membership or publications.</p> <p>Club have just appointed PR manager who will target community and media.</p> <p>Company secretary/financial controller is responsible for ticketing, programme, internet and also deals with product initiatives e.g. credit card. Also deals with player contracts. Seems to play role of CEO without authority.</p> <p>Team manager deals with team PR</p>	<p>Programme is written by a friend of the Chairman for free. Chairman has written it for last 3 years.</p> <p>Chairman deals with PR.</p> <p>No membership scheme. Lottery was closed down.</p> <p>Commercial manager responsible for corporate sales and club shop. Also takes post and drives mini-bus! Has been inside mascot.</p> <p>Catering is provided by external operator.</p>	

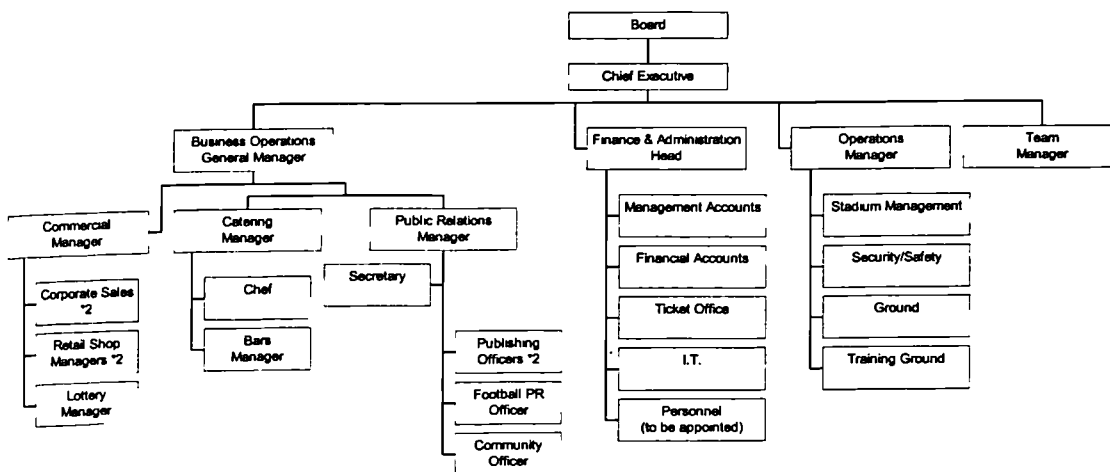


## **Appendix 7.1 Organisational Charts**

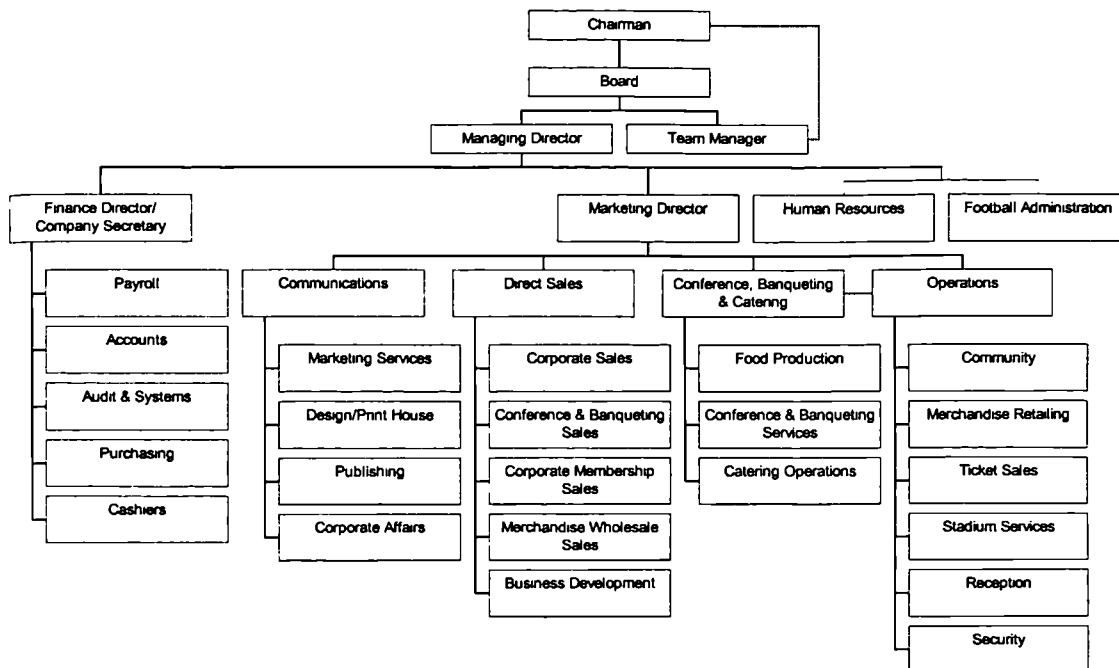
## Club L1



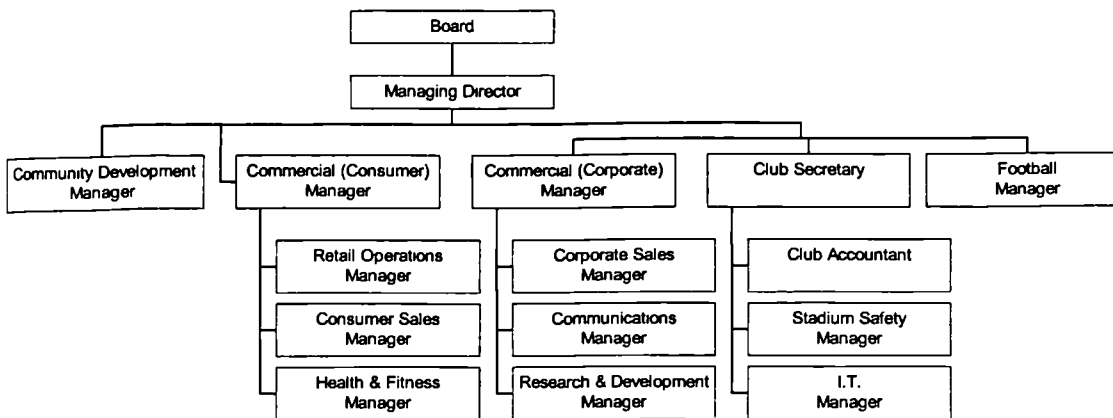
## Club L3



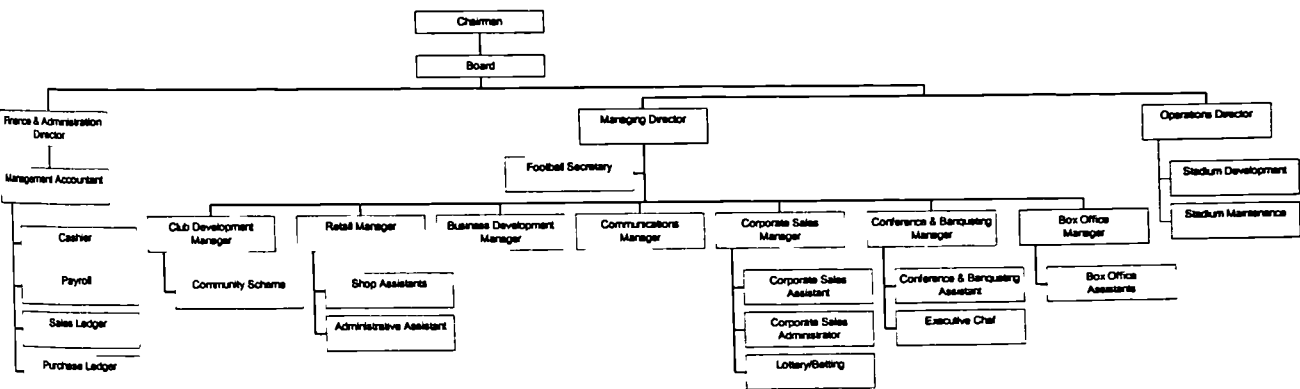
## Club L4



## Club L5

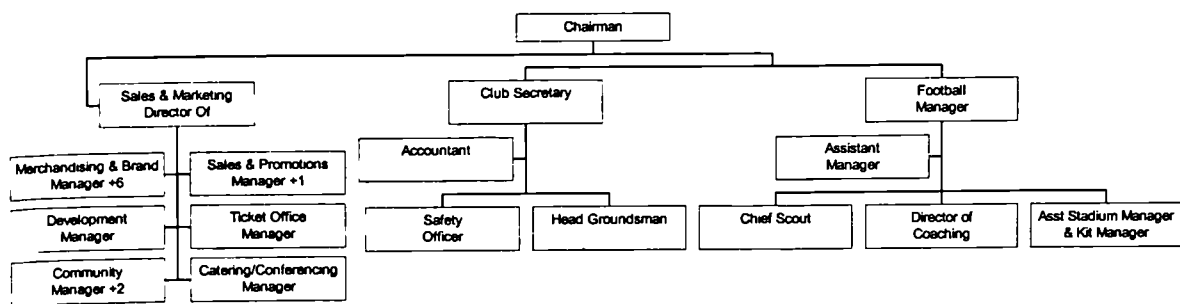


Club M1

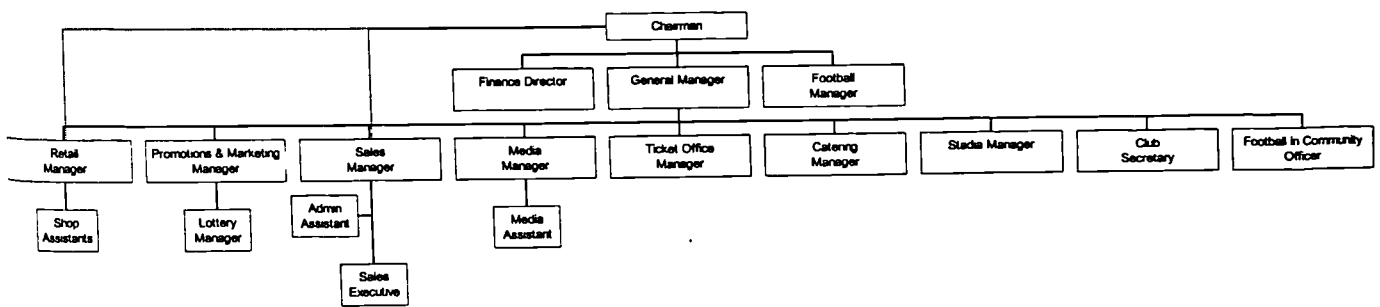




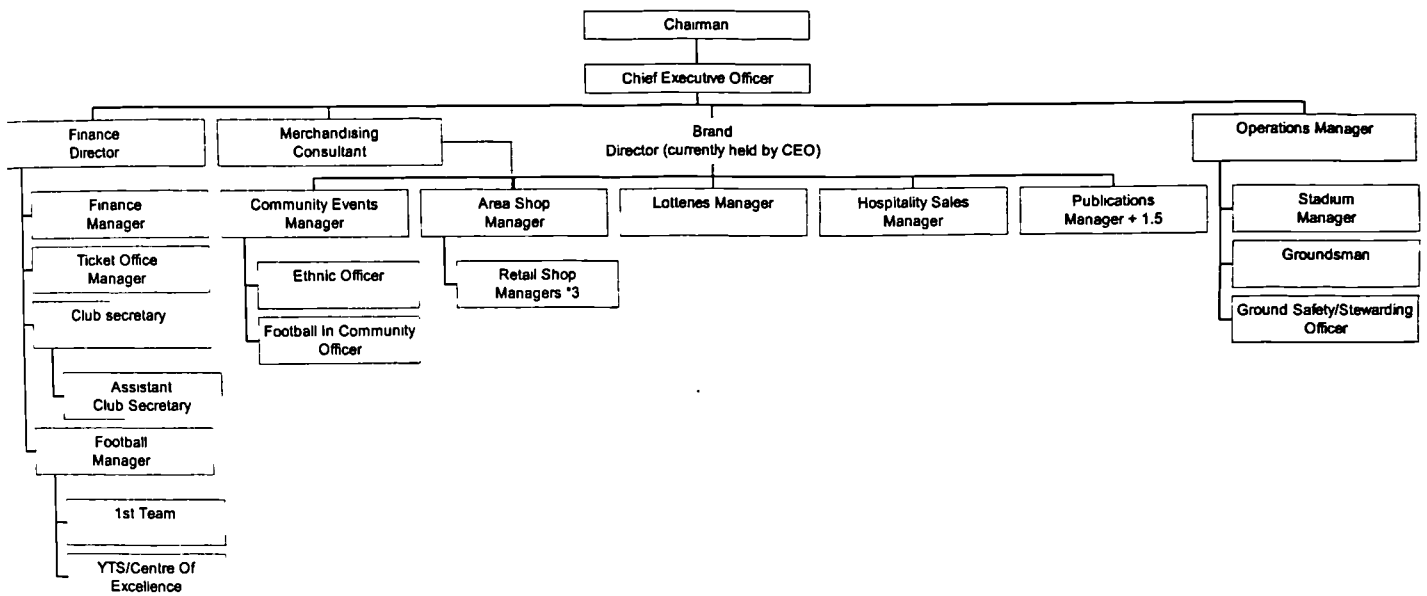
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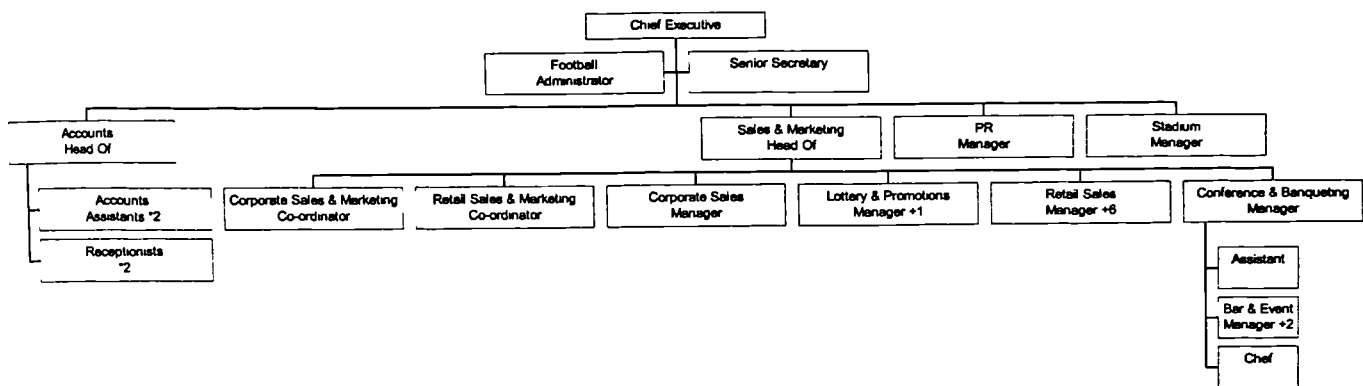
## Club M3



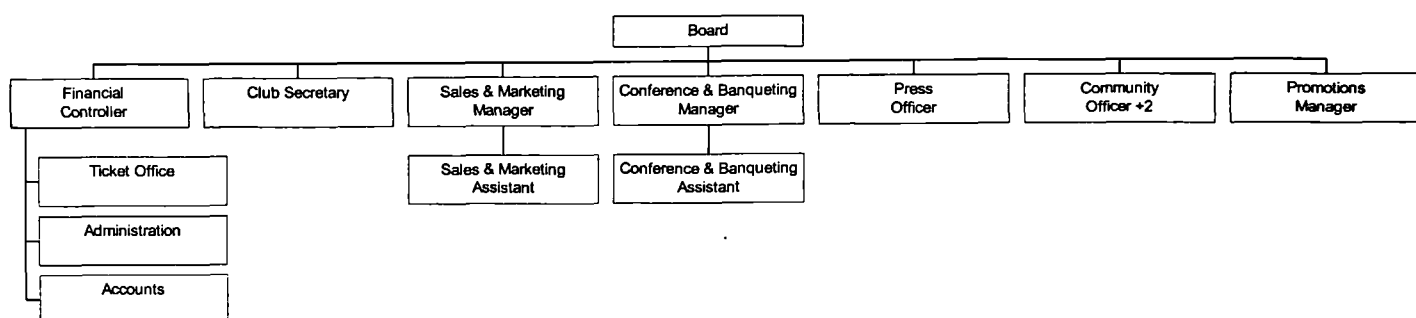
## Club M4



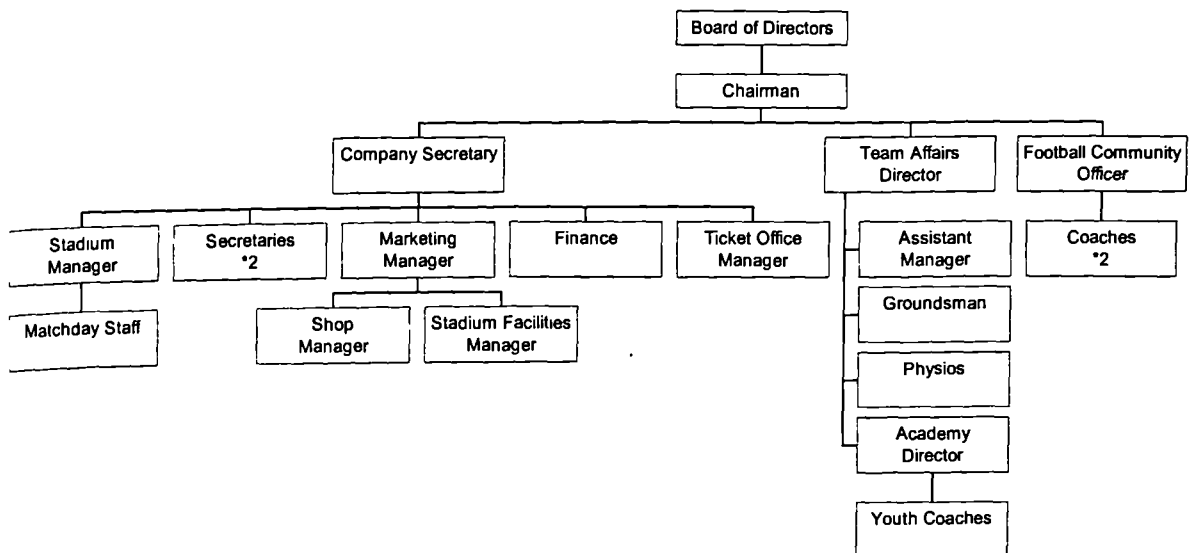
## Club M5



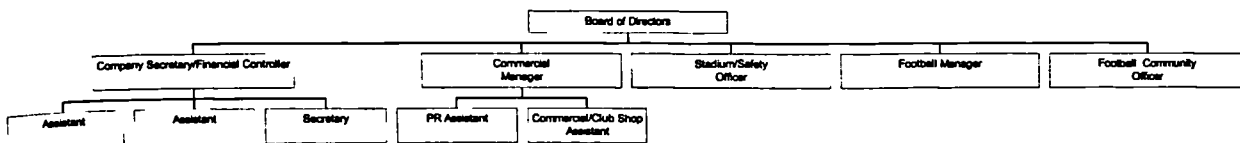
## Club S1



## Club S2



## Club S3



Club S4

